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LEGISLATIVE HISTORY

Public Law 88--77th Congress

Chapter 156--1st Session

H. R. 3205

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DIGEST OF PUBLIC LAW 88

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION ACT, 1942.

Title I -- Treasury Department

Appropriates \$26,800,000 for payments to Federal land banks and \$9,600,000 for payments to the Federal Farm Mortgage Corporation on account of reductions in interest rates on mortgages.

Provides for transfer of funds from AAA, FSCC, FICJC, SIA, and Commodity Credit to Division of Disbursement for expenses of disbursing funds of these agencies.

Provides for transfer of funds from AAA, FCA and related agencies, SCS, Civilian Conservation Corps, Commodity Credit, and BEA to Treasurer's Office for clearing checks, handling collections, etc.

Appropriates \$1,100,000 for salaries and administrative expenses in connection with the refunding of processing and related taxes, continues availability of the 1941 appropriation for refunding these taxes, and appropriates \$110,000 for the U. S. Processing Tax Board of Review.

Procurement Division:

Provides for transfer of funds to Procurement Division to pay salaries of persons transferred or detailed and other necessary expenses incident to a transfer of functions to that Division.

Provides that payment to the general supply fund for materials, supplies, etc., shall be credited to the Treasury Department's books by transfer and counter-warrants prepared by the Procurement Division and countersigned by the Comptroller General, and provides that advances received from Government departments shall be credited to the general supply fund.

Authorizes the Procurement Division to recondition and repair surplus property and equipment for disposition or reissue to the Government services and to repair typewriters, at cost.

States the maximum prices which may be paid for typewriters.

Title II - Post Office Department

Authorizes transfer of \$26,000 to other departments for chemical and other investigations.

Requires at least one-fourth of the twine purchased by the Post Office Department to be made from domestic products.

Authorizes the use of \$15,000 for purchase of material and the manufacture in Post Office Department of small quantities of distinctive equipments needed by other departments.

Appropriates \$15,900,000 for vehicle service, including the U. S. Official Mail and Messenger Service.

Authorizes the Postmaster General to contract for telephone services in post offices, to serve jointly two or more Government agencies, and to secure reimbursement for cost of such service from such agencies.

Title III - General Provisions

Authorizes payment of travel expenses of employees being transferred from one official station to another, when authorized by a department head.

Limits the cost of passenger-carrying automobiles to \$750, including exchange values; prohibits use of passenger-carrying automobiles (except those used by department heads, etc.) for private purposes; limits maintenance, upkeep, and repair of passenger-carrying automobiles to one-third the price of a new vehicle, such expense not to exceed \$400.

INDEX AND SUMMARY OF HISTORY ON H. R. 3205.

December 10, 1940	Hearings: Post Office Dept. House, H. R. 3205.
December 17, 1940	Hearings: Treasury Dept. House, H. R. 3205.
February 10, 1941	House Committee on Appropriations reported H. R. 3205. House Rept. 60. Print of the bill as reported.
February 12, 1941	Debated in the House.
February 13, 1941	Debated and passed House with amendment.
February 14, 1941	H. R. 3205 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
March 7, 1941	Hearings: Senate, H. R. 3205.
March 26, 1941	Senate Committee on Appropriations reported H. R. 3205 with amendments. Senate Rept. 142. Print of the bill as reported.
April 14, 1941	Minority Views. Senate Rept. 142, Pt. 2.
April 22, 1941	McCarran amendment.
May 5, 1941	Debated in the Senate.
May 6, 1941	Senate debate continued.
May 7, 1941	Senate debate concluded. Passed Senate with amendment. Senate Conferees appointed.
May 8, 1941	House Conferees appointed. Print of the bill with amendments of the Senate numbered.
May 21, 1941	Conference Report submitted in the House. H. Rept. 604.
May 22, 1941	Conference Report agreed to in the House.
May 23, 1941	Conference Report agreed to in the Senate. pp. 4359, and 4368.
May 31, 1941	Approved. Public Law 88.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1942

FEBRUARY 10, 1941.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. LUDLOW, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 3205]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942:

The bill embraces regular annual appropriations for the various branches of the Government service under the jurisdiction of the Treasury and Post Office Departments.

In framing this bill for the two departments, the committee has endeavored to hold the amounts of appropriations to the lowest possible figure consistent with the rendition of adequate service. Both Departments have exceedingly important duties to perform and the task has been approached with that thought. The committee has reduced numerous Budget estimates presented for consideration and in some cases has effected reductions below the amount appropriated for the current fiscal year. Some increases over 1941 appropriations inevitably are necessary, but in each such case the committee has investigated the matter fully to determine that no new or increased expenditure should be approved for the next fiscal year that was not fully justified under existing conditions.

The Post Office Department is a purely service agency and must be equipped with adequate personnel and facilities to accommodate its

patrons who pay for the service and are entitled to prompt and efficient consideration. The major duties of the Treasury Department are service in nature to the entire Government, the principal functions comprising accounting, disbursing, and financing activities. The requirements for both services for the next fiscal year have increased due to the existing emergency. The impact of increased general business has been reflected in the operations of the Postal Service which are on the upgrade in unprecedented volume and receipts and the Treasury Department already in some degree and will soon, in rapidly increasing momentum, feel the impetus caused by the heavy expenditures for the Army, Navy, and other agencies contributing to the defense program. The committee has scrutinized carefully all appropriations proposed as incidental expenditures to the defense program and has eliminated, approved, or curtailed them according to its best judgment in the light of the facts presented.

APPROPRIATIONS AND ESTIMATES

The estimates of appropriations upon which this bill is based were submitted by the President in the Budget for the fiscal year 1942 and will be found in detail in that document as follows: For the Post Office Department, pages 877 to 899, inclusive, and for the Treasury Department, pages 753 to 800, inclusive.

A detailed tabulation will be found at the end of this report, pages 34 to 49, showing each appropriation for the fiscal year 1941, each Budget estimate for the fiscal year 1942, the amounts recommended in the bill for 1942, and the increase or decrease in each item of appropriation and estimate as compared with the amount recommended in the bill.

The total amount carried in the bill for both Departments is \$1,146,394,496, a sum less than the comparable appropriations for the present fiscal year by \$3,745,816, and a reduction of \$8,979,496 in the estimates transmitted by the President. Of the total amount carried, \$304,330,185 is chargeable to the Treasury Department, and \$842,064,311 is made available for the Post Office Department.

In order to present a bird's-eye picture of the items that enter into the totals of the bill, the following table, distinguishing as between nonoperating and operating expenses and showing comparisons as between 1941 appropriations and the amounts recommended in the accompanying bill as well as the difference between the sums carried in the Budget estimates for 1942 and the figures approved by the committee, is inserted at this point:

Department	Appropriations for 1941	Budget estimates for 1942	Amount in bill for 1942	Increase (+) or decrease (-) bill compared with 1941 appropriations	Increase (+) or decrease (-) bill compared with 1942 estimates
TREASURY					
Nonoperating items:					
Federal land banks and Federal Farm Mortgage Corporation, payments on account of reduction in interest rate on farm mortgages held by.....	\$38,157,000	\$36,900,000	\$36,400,000	-\$1,757,000	-\$500,000
Procurement of strategic and critical materials for national defense.....	60,000,000			-60,000,000	
Refunds:					
Internal Revenue taxes.....	42,000,000	63,000,000	63,000,000	+21,000,000	
Customs collections and draw-backs.....	14,200,000	19,000,000	19,000,000	+4,800,000	
Monies unclaimed and moneys erroneously received.....	50,000	50,000	50,000		
Total, nonoperating items.....	154,417,000	118,550,000	118,450,000	-35,967,000	-500,000
Operating items, consisting of all departmental activities other than those set forth above and including vessel construction and other nonrecurring construction and equipment expenses of the Coast Guard.....	180,233,135	190,411,405	185,880,185	+5,647,050	-4,531,220
Total, Treasury Department.....	334,650,135	309,361,405	304,330,185	-30,319,950	-5,031,220
POST OFFICE					
Domestic air-mail transportation.....	20,440,199	21,280,327	21,280,327	+840,128	
Foreign air-mail transportation.....	16,247,149	16,707,567	15,577,831	-769,318	-1,229,736
Public buildings maintenance and operation.....	29,795,000	30,075,000	29,600,000	-195,000	-773,000
All other postal activities.....	749,007,829	777,949,093	775,766,153	+26,698,324	-2,243,510
Total, Post Office Department.....	815,490,177	846,012,587	842,064,311	+26,574,134	-3,948,276
Grand total, Treasury and Post Office Department.....	1,150,140,312	1,155,373,992	1,146,394,496	-3,745,816	-8,979,496

Permanent appropriations.—In addition to the regular annual appropriations carried in the bill, permanent appropriations under the Treasury Department will be available for expenditure in the fiscal year 1942 estimated at \$4,516,027,407. This total compares with the estimated figure for the current fiscal year of \$4,016,507,797, an increase of \$499,519,610.

The permanent appropriations are those which occur automatically each year without annual action by Congress. They consist of general and special fund appropriations and trust fund appropriations. The principal amounts estimated for 1942 under each category are as follows:

General and special funds:	
Interest on the public debt.....	\$1, 225, 000, 000
Sinking fund.....	588, 000, 000
Redemption of national-defense series obligations in accordance with sec. 301 of the Revenue Act of 1940.....	801, 100, 000
Trust funds:	
Federal old-age and survivors' insurance trust fund.....	766, 867, 450
Unemployment trust fund.....	1, 109, 715, 600

The amounts set forth above show increases over the estimate purposes for the present fiscal year as follows:

Interest on the public debt.....	\$125, 000, 000
Sinking fund.....	2, 000, 000
Redemption of national defense series obligations.....	207, 300, 000
Federal old-age and survivors' insurance trust fund.....	70, 428, 325
Unemployment trust fund.....	94, 537, 200

TREASURY DEPARTMENT

The amount recommended for the Treasury Department for the fiscal year 1942 in this bill is \$304,330,185.

This sum, compared with the current 1941 appropriations and the 1942 budget estimates, is—

- \$30,319,950 less than the 1941 appropriations; and
- \$5,031,220 less than the total of the 1942 Budget estimates.

As exhibited in the table on page 3 of this report, the nonoperating expense items of the Department show a decrease of \$35,967,000 under the 1941 appropriations and the operating expense items, including the nonrecurring construction and equipment expenses of the Coast Guard, show an increase of \$5,647,050 over 1941.

The net decrease in the nonoperating expense items is brought about by the nonrecurring item of \$60,000,000 for purchase by the Procurement Division of strategic and critical materials and a reduction of \$1,767,000 in the amounts for payments to the Federal land banks and the Federal Farm Mortgage Corporation on account of the statutory reduction in the interest rate on farm mortgages held by those organizations, and these decreases are offset to the extent of \$25,800,000 by the additional amounts required in 1942 for the refunding of customs duties and payment of draw-backs and the refunding of internal revenue taxes.

The net increase of \$5,647,050 in the operating items of the Department is occasioned by the added duties which have been placed upon the Department by law in connection with the defense program or by added duties reflected upon the Department by the increased expenditures and activities of other departments and agencies growing out of the defense program. This net increase has been necessitated

by the placing on the Department of important duties in connection with the enforcement of the Neutrality Act and export munitions control, the duties of captain of the port in connection with the supervision of merchant vessels (including interned vessels), the control and registration of property in the United States of certain foreign countries and their nationals, important duties in connection with the coordination of purchases of war materials by foreign governments in this country, increased disbursements for the Army, Navy, and other defense agencies, increased duties and responsibilities in connection with the levying and collection of new taxes for defense purposes, increased coinage and paper currency production to meet the normal needs of the Nation on account of the rising tide of business, and improvements to the Coast Guard fleet and shore establishments to modernize and keep this arm in a state of readiness for service if called as a part of the Navy and to perform the duties imposed by the Neutrality Act, the act to provide for the safety and security of merchant shipping and our ports, and the regulation of transportation, stowage, and storage of explosives, inflammable material, and other dangerous cargo.

A number of small amounts have been added to several Treasury items, aside from the Coast Guard, in connection with activities falling upon the Department as a result of the defense program. The committee has added these sums to the regular appropriations for a temporary period and will expect to eliminate them when the period of the emergency has passed. If the emergency ends during the course of a fiscal year the committee looks to the department to terminate the employments with the passing of the load of emergency work for which the positions were provided.

Several Treasury Department activities, particularly in the Division of Disbursement and the Treasurer's office, accompanied by incidental work in the Chief Clerk's office and the Division of Printing, are financed by transfer of funds from other agencies of the Government and Congress has recognized this practice due to the unforeseen character of the work and unpredictability of the volume very far in advance. While this situation must of necessity to a certain extent continue, particularly in connection with governmental corporations operating with corporate funds, the committee feels that as rapidly as the work of an agency regarded as emergency in character or with a widely fluctuating volume of business has become level either as a continuing activity or the volume stabilized to a normal degree that the practice of transferring should cease and the funds appropriated directly to the Treasury for the performance of its work rather than to have a regular agency of the Government subsisting part on regular appropriations and part on transferred funds for the functions which it is required by law to perform for every agency.

Office of Secretary of Treasury.—The amounts recommended for the office of the Secretary and the Division of Research and Statistics are \$290,000 and \$218,000, respectively, and are increases of \$26,640 and \$50,000, respectively, over the current year's appropriations. The Secretary of the Treasury is the President's personal representative in matters relating to the purchases of war materials by foreign governments. The Treasury Department has representation on the Interdepartmental Committee for Coordination of Foreign and Domestic Military Purchases and an important function of this committee

is to prevent conflict in the United States markets between foreign requirements for war supplies, equipment, and materials, and the requirements of the United States Government and its citizens. The duties devolving upon the Treasury Department under this designation of the President are performed by personnel attached to the Secretary's office and the Division of Research and Statistics and account for the increases above referred to. Some incidental expense in the office of the Chief Clerk is reflected by these added duties. The President has allocated from his emergency funds for the present fiscal year the sum of \$36,000 to the Secretary's office and \$30,000 for the Division of Research and Statistics to care for the increased duties involved.

Foreign property control.—Under the provisions of the act of May 7, 1940, amending the Trading With the Enemy Act of October 8, 1917, the President has designated the Treasury Department to exercise, during the period of the national emergency, the control over property and interest in property in the United States of certain foreign governments and their nationals. Executive orders have been issued extending this control to cover Denmark, Norway, The Netherlands, Belgium, Luxemburg, France, Latvia, Lithuania, Estonia, and Rumania. An estimate of the value of this property, exclusive of reports by insurance companies, and prepared as of various dates, indicates a total of \$4,369,000,000. A statement showing this amount by types of property and by nations will be found on page 80 of the hearings. Control is effected through the issuance of licenses and the principal portion of the field work is accomplished through the Federal Reserve banks. As of November 30, 1940, a total of 91,000 applications for licenses had been filed, of which 24,111 were handled by the originating offices and 66,933 sent to the Secretary of the Treasury for action. Of this latter number, 54,776 were approved, 9,117 were denied, and no action was taken in 1,292 cases. The bulk of these licenses are 15-day licenses for specific transactions and some for conduct of business enterprises are for 90 days and are subject to renewal. A total of 35 general licenses had been issued as of November 30 last, of which 27 were outstanding at the date of the hearing. To initiate the foreign-property control, an appropriation of \$700,000 was made for the fiscal years 1940 and 1941 and a Budget estimate of \$1,800,000 was recommended for the fiscal year 1942. The committee recommends an appropriation of \$1,250,000, which is estimated to be sufficient to continue operations on the basis of the countries to which the control has thus far been extended. If additional Executive orders are promulgated to include other countries, further appropriations will be necessary.

Reduction in interest rate on farm mortgages.—A total of \$36,400,000 is recommended for payment to the Federal land banks and the Federal Farm Mortgage Corporation on account of the statutory reduction in interest rates on farm mortgages held by these institutions. The average contract rate on mortgages of the Federal land banks for the fiscal year 1942 is estimated at 4.9+ percent and the rate fixed by Congress is 3.5 percent, leaving a differential to be furnished by the Government to the banks of 1.4+ percent on the outstanding volume of mortgages estimated to be in excess of \$1,800,000,000. The average contract rate on mortgages held by the Federal Farm Mortgage Corporation is estimated during the fiscal year 1942 at 5

percent and the difference between this rate and the 3.5 percent statutory rate is 1.5 percent to be applied to the estimated volume of mortgages outstanding of approximately \$650,000,000. The amount recommended is divided, \$26,800,000 to the Federal land banks and \$9,600,000 to the Corporation.

Supply Services.—The office of the Chief Clerk, including the contingent expenses of the Department, and the Division of Printing, including the funds for printing and binding and stationery, are service offices for other bureaus and agencies of the Department. Augmented duties of other bureaus are reflected in the activities and funds of these two offices for the necessary supplies, equipment, and incidental services. The amount recommended for salaries, Chief Clerk's office, is \$211,500, which is an increase of \$12,055 over 1941 appropriations and \$2,700 less than the Budget estimate. The increase over 1941 includes two employees with salaries aggregating \$3,240 transferred from other Treasury offices and six employees with salaries totaling \$8,875 to supply services in connection with duties that have been thrown upon other activities of the Department. The request for an additional messenger at \$1,200 and an additional typist at \$1,440 has been eliminated. An allocation from the President's emergency fund has been made during the current fiscal year to cover the employment of the additional personnel granted.

The appropriation for contingent expenses of the department is included in the sum of \$333,000, which is \$99,449 more than the 1941 amount and \$6,000 less than the Budget estimate. An allocation has been made from the President's emergency fund for this purpose for 1941 in the sum of \$33,606 and taking this factor into consideration, the increase over 1941 total requirements as allowed is \$65,843. The decrease of \$6,000 is accomplished through a revision of the estimate of the number of social-security checks to be issued in 1942 as compared to the number estimated at the time the Budget figures were prepared. The increases in the amounts for printing and binding and stationery, respectively, \$72,300 and \$90,600, are occasioned principally by the increased duties of the Coast Guard, Customs Service, Treasurer's Office, Procurement Division, Bureau of Internal Revenue, Disbursement Division, and the Secret Service. In the case of printing and binding, the committee has reduced the Budget estimate by \$3,900 and in the case of stationery a reduction of \$1,700 has been made, both due to the revised estimate of the number of social-security checks to be issued.

Bureau of Accounts.—The office of Commissioner of Accounts is allowed \$442,500 for salaries, which is \$21,080 more than the 1941 appropriation and \$6,500 less than the Budget estimate. For the present fiscal year an allocation has been received from the President's emergency fund of \$15,000 reducing the comparable increase between 1941 and 1942 to \$6,080. The additional amount provides four positions with total salaries of \$6,300 to inaugurate a new method of producing the annual combined statement of receipts, disbursements, and balances of all appropriations. The expenditure of this \$6,300 together with an item in contingent expenses under the Chief Clerk's office of \$6,720 will make the new cost of this document \$13,020, or a saving of \$1,780 per annum and in addition will expedite by months the availability of the data. Eight additional positions, totaling \$13,460 per annum, are allowed in connection with increased

duties resulting from the supervision of additional depositories for Government funds, increased Government receipts, and additional bookkeeping duties growing out of the defense expenditures. The committee has eliminated four positions totaling \$6,500 requested in connection with other operations of the office.

The amount recommended for the Division of Disbursement is \$1,774,453, an increase of \$379,180 over 1941 appropriations and \$438,620 less than the Budget estimates. While this sum shows as an increase for the Division of Disbursement, a decrease will take place in the appropriations of the Social Security Board. Heretofore funds for the issuance of social-security checks by the Division of Disbursement and handling of such checks by the Treasurer of the United States have been appropriated as a part of the administrative expenses of the Social Security Board and transferred by that Board at such times and in such amounts as might be needed to the Disbursement Division and the Treasurer's office. That procedure has been changed in the present Budget and the practice resumed of appropriating to the Treasury Department directly the funds for the handling of these checks in the general manner of handling other Government checks. The decrease in the Budget estimates is brought about by a revision of the number of such checks to be issued. The original estimates upon which the Budget figures were prepared indicated a total of 17,395,000 checks of this character in the fiscal year 1942. The committee felt, after an examination of the current rate of allowance of claims upon which these checks are based, that the number estimated was excessive and was accordingly furnished a revised estimate which indicates a minimum of 8,054,000, or a decrease in the original figures of 9,341,000 checks. This revision affects the appropriations for the Division of Disbursement, Treasurer's office, departmental contingent expenses, printing and binding, and stationery. The aggregate decrease in all of these estimates on account of this revision is \$610,000. If the minimum number of 8,054,000 checks on which these appropriations are based should be materially exceeded it may be necessary to augment the funds required for issuance of the checks, but in the light of present data and conditions it appears that actual situation should closely approximate the estimate.

Bureau of the Public Debt.—The amount recommended for the Bureau of the Public Debt for the procurement of distinctive paper for United States securities is \$1,114,000, an increase of \$314,000 over the present year. The appropriation for the present fiscal year was based upon a cost estimate of 36.5 cents per pound for the paper and the actual price being paid upon bids taken after the appropriation was made is 38.75 cents per pound. This increase in price has necessitated utilization of reserve stocks of paper in order to meet the going currency program. The amount recommended, based on the current purchase price, is estimated to procure 108,286,000 sheets, or 2,615,784 pounds. The distribution of this paper for currency requirements is as follows:

Sheets

To the Bureau of Engraving and Printing for the delivery of 94,135,000 sheets of finished currency, including 3,925,000 sheets allowance for spoilage	98,060,000
For restoring the blank paper reserve stock to a 3 months' supply	10,226,000

The production of 94,135,000 sheets of finished currency by the Bureau of Engraving and Printing in the fiscal year 1942 contemplates

the issuance of 85,650,000 sheets of paper money and the addition of 8,485,000 sheets of finished paper money to the Treasurer's paper-money reserve to bring that stock to a 3 months' supply. The issuance of 85,650,000 sheets of paper currency in 1942 corresponds to the 1941 program and is a replacement procedure designed to redeem worn-out currency and does not contemplate the issuance of any addition to the paper money outstanding. The number of sheets of each denomination of notes to be produced (12 notes to a sheet) will be found on page 700 of the hearings.

The restriction upon the indefinite appropriation "Expenses of loans" is increased from \$4,000,000 to \$4,292,000 to care for increased volume of work incident to the sale, issuance, and redemption of United States savings bonds. The increase of \$292,000 consists of \$225,355 augmentation in the amount for reimbursement to the Federal Reserve banks for the handling of these bonds for the Treasury Department and an increase of \$69,530 in the amount to be transferred to the Post Office Department to reimburse that agency for services performed in this connection for the Treasury Department. The amount estimated for payment to the banks in 1942 is \$1,275,355 and the amount estimated for the Post Office Department is \$736,500. The actual cash receipts from such bonds in the calendar year 1940 amounted to \$1,064,000,000 and the actual redemptions during the same period were \$131,000,000. The maturity value of all such bonds outstanding at the end of calendar year 1940 was \$4,106,501,675 and the redemption value at the same date was \$3,194,792,667. Issues in the fiscal year 1942 are estimated at the approximate number for the fiscal year 1941, 4,700,000 pieces. The estimated number of individual owners is 2,500,000.

Customs Service.—The amount recommended for the Customs Service is \$21,050,000, an increase of \$150,000 over the current appropriation and \$36,280 under the Budget estimate. There has been a decline so far this fiscal year in customs receipts compared with the corresponding period in the last fiscal year and a decline in the number of import transactions largely reflected by baggage entries. Travel in Europe has almost ceased and travel to Canada has been restricted, while travel and commerce with South and Central American countries has greatly increased. The value of imports into the United States has increased largely due to the importation of strategic materials in connection with the defense program. The export trade due to war conditions has greatly increased and while the Customs Service has not ordinarily had duties to perform in connection with exports, the provisions of the Neutrality Act and the export control requirements have placed upon the Service onerous non-revenue-producing duties which have largely offset the decline in the revenue producing work. The export control, which became effective in July last, has been growing constantly by the addition frequently of articles and commodities to the list of those subject to export license. Each exporter must file a declaration of the cargo, destination, consignee, the carrier, etc. and such declarations must be examined to determine if the goods are exportable and the goods examined, so far as possible, to determine whether they are in effect the goods specified in the declaration. The increase for 1942 over 1941 contemplates the addition of 60 guards for important ports in connection with the guarding of vessels arriving in the United States from foreign countries, amount-

ing to \$111,600; the sum of \$34,200 for additional inspectors and laborers for the institution of a scientific method of determining the clean content of imported wool at the ports of Boston, New York, and Philadelphia; \$19,000 for equipment of the new laboratory at Los Angeles, Calif.; and \$14,300 for additional personnel in the Bureau in the Tariff, Fiscal, and Personnel Divisions and the General Counsel's office. Request for additional personnel in the Division of Investigations and Patrol amounting to \$5,420 has been omitted. Provision is also made for the transfer of expense from the field roll to the Bureau roll of certain personnel continuously employed for some time in the Bureau but paid from field appropriations under authority of law. While the increases allowed total approximately \$36,000 less than the Budget request the committee feels that such an amount can be found within the existing total of the current appropriation and has passed upon them on that basis. If the funds cannot be so found, the allocation of the increases will need to be made by the Commissioner according to his judgment based on the relative importance of the work.

The sums allowed for refunds and drawbacks is \$19,000,000, an increase of \$4,800,000 over the 1941 appropriation. It should be explained in connection with this large increase that a deficiency appropriation approximating \$12,000,000 is in prospect for the current fiscal year due primarily to the large amount of drawback payments necessitated by raw materials imported into the United States and reexported in the form of manufactured products as war materials. This unusual increase has practically exhausted the current appropriation at this date and the committee has before it a deficiency estimate of \$11,800,000, which, added to the current appropriation of \$14,200,000, would make a total for the present year for drawbacks and refunds of \$26,000,000. Request was made for the conversion of this appropriation from a specific sum appropriation to an indefinite amount appropriation. This the committee is unwilling to do and feel that with the appropriation of so large a sum as \$19,000,000 there will be enough in the fund, in the event of a continuation of this accelerated situation, to carry such payments until a deficiency can be provided without the stoppage of payments and a period of waiting by claimants.

Treasurer's office.—The amount recommended for the office of the Treasurer of the United States is \$1,620,000, which is \$371,080 more than the current appropriation and \$161,400 less than the Budget request. The decrease in the Budget estimate results from the revision of the estimate of the number of social-security checks to be handled during the fiscal year 1942 and explained under the Division of Disbursement in this report. The increase over 1941 involves 239 new positions with salaries of \$369,500 distributed as follows:

21 positions in the regular work of the office, including the work of redemption of United States savings bonds and silver certificates.....	\$31, 200
88 positions for servicing checks of the Social Security Board (heretofore paid for by transfer of funds from the Board).....	134, 300
130 positions to handle increased number of checks resulting from increased military and naval expenditures under the defense program..	204, 000
239 positions.....	369, 500

The work of the Treasurer's office is created by other agencies of the Government. The committee has carefully examined the esti-

mates for the additional personnel and believes the amounts recommended are fairly conservative, based upon the prospective volume of work which will flow into the office. Prompt handling of checks, redemption of bonds, and other functions of the Treasurer's office are in the interest of the Government and those with whom the Government has these transactions. There is neither economy nor wisdom in permitting the business of this character to fall in arrearage. The funds provided should be sufficient to keep the work on the basis of the high standard heretofore maintained. An allotment of \$30,000 from the President's emergency fund has been made for this fiscal year on account of defense expenditures.

Bureau of Internal Revenue.—The amount recommended for the Bureau of Internal Revenue is \$135,618,350, which is an increase of \$24,391,540 over the current year's appropriations and \$78,000 less than the Budget estimates.

The amount allowed for expenses of assessing and collecting the internal-revenue taxes is \$71,512,000, an increase of \$5,097,090 over the 1941 appropriations. After making allowance for nonrecurring items for the fiscal year 1941 and the transfer of the expenses of rent in the District of Columbia to the Federal Works Agency, the actual increase over 1941 amounts to \$6,008,705. Congress at the last session provided the Bureau of Internal Revenue with a total of 3,933 additional permanent employees and a number of temporary employees in connection with the added duties placed upon the Bureau by the new revenue legislation of the session. Of this number only 117 were provided for the full fiscal year and the remainder were provided for varying periods of the year. Included in the sum of \$6,008,705 is the figure of \$3,322,512, which is the additional amount required in the fiscal year 1942 to carry this force for a full fiscal year as contrasted with a partial fiscal year in 1941. The remainder of the \$6,008,705 consists of \$2,686,193 for the salaries of 5 permanent employees in the District of Columbia and the salaries and expenses of 794 more employees in the field. A part of the new field personnel consists of 500 more internal-revenue agents and 167 stenographers and clerks to assist these agents. The addition of this force contemplates the examination of more of the upper-income brackets income-tax returns than is possible with the present organization. For the fiscal year 1940 the Bureau estimated there was a total of 644,000 of these returns, indicating warranted examination that were referred to the field where 424,000 investigations were made, leaving 220,000 returns that could not be examined with the assigned force.

With a rising national income and with new revenue laws providing a broader tax base, the Bureau estimates the number of such cases warranting referral to the field at \$21,000. Such a total would increase by 175,000 the previously unexamined number of such cases unless some increase is made in the number of field agents. The experience of the Bureau over a period of years indicates that for each internal-revenue agent employed, collectible tax, penalty, and interest in excess of \$80,000 have been assessed as compared with an administrative cost of \$4,000, or a net return of \$20 in revenue for every dollar of expense. While the number of agents recommended is not sufficient to handle all of the estimated number of increased cases indicating warranted referral to the field for examination, the committee feels that the 500 allowed is about the maximum number that

can be recruited, trained, and usefully employed during the coming fiscal year. The committee also recommends the Budget proposal for 127 additional employees for the Technical Staff Field Divisions. The present field organization consists of 10 divisions equipped to adjudicate differences between the taxpayer and the Government. It is a decentralized system to furnish to the taxpayer in the vicinity of his residence a tribunal for the settlement of his differences with the Government without the necessity of coming to Washington. The decisions of the staff division, acting on behalf of the Commissioner, are final, except for the appropriate appeals to the courts and the Board of Tax Appeals.

The additions recommended to be added to the technical staff consist of 74 assistant technical advisers, 16 accountants and auditors, and 37 clerks. This increase in force is predicated upon the estimated number of disputed field cases to be referred to the divisions by the Income Tax Unit. Of the 424,000 income-tax cases referred for examination in the field in the fiscal year 1940, slightly in excess of 3 percent were disputed cases that were referred to the technical staff field divisions. Projecting this percentage to the increased number of cases to be referred to the field and handled through the additional force of 500 agents referred to above, there is estimated to result an increase of between 5,000 and 6,000 cases to be handled by the technical divisions. The increased force of agents and the increased technical field staff are companion organizations, the revenue agents producing most of the work that is handled by the technical divisions. The committee recognizes the importance of the expeditious and effective method of handling tax matters by this organization and if the additional agents are to function effectively to final conclusion then the additional technical staff is a necessity for the prompt adjudication of any disputes that may arise between the taxpayer and the agents.

The changing of the tax base, the general increase in the average of income taxes, and the problems of the excess profits-taxes under existing stimulated defense business, will greatly accentuate the difficulties of tax assessment. The Government has need for all of the revenue the tax laws will produce and the Bureau should be equipped successfully to cope with technical difficulties to be encountered and to collect the maximum tax that is legally due.

An appropriation of \$1,100,000 is allowed for salaries and expenses of refunding processing and related taxes, which is \$1,700,000 less than the current appropriation and \$78,000 under the budget estimate. An appropriation for this purpose has been carried for several years for administrative costs incidental to (1) the administration of the unjust enrichment ("windfall") tax imposed by title III of the Revenue Act of 1936, (2) the adjustment and settlement of claims filed for refund and payment of processing and related taxes paid under the Agricultural Adjustment Act as provided by titles IV and VII of the Revenue Act of 1936, as amended, and (3) the adjustment and settlement of claims for refund of taxes collected under the provisions of the Cotton Act of April 21, 1934, as amended, the Tobacco Act of June 28, 1934, as amended, and the Potato Act of August 24, 1935.

Tables will be found on pages 586 to 592, inclusive, of the hearings showing by classes of claims the number filed, the number rejected, the number allowed, and the number pending as of November 30 last, and the amounts involved in each category. Filing time for all classes

of claims has closed. The Bureau estimates that by the close of the present fiscal year the field work will be finished on practically all of these claims and that the greater number will have been disposed of leaving for adjudication by the Bureau force in Washington, with some incidental field work, approximately 1,100 of the largest and most complicated cases. In addition to the unadjusted claims on hand, it is expected that a number of claims that have been rejected for insufficient evidence and other reasons may be reopened and will need to be audited on the basis of the new evidence. The very large bulk of these claims relate to the refunding of processing taxes under the Agricultural Adjustment Act. As of November 30 last, a total of 42,572 cases had been received, including 2,331 reopened cases, with an amount claimed of \$746,000,000. Of this number of cases practically all except 4,497 cases, involving \$685,000,000, have been settled and these cases were transferred to the Income Tax Unit for adjudication; of this group there was left on November 30 a total of 1,318 cases involving \$326,000,000.

The appropriation for the payment of the refunds to be allowed in connection with the processing tax cases is made in the amount of the unexpended balance estimated to exist on June 30 next in the sum of \$22,854,394 against estimated refunding requirements in the fiscal year of \$23,437,000.

The amount recommended for general refunding of internal revenue taxes is \$63,000,000, which is an increase of \$21,000,000 over the 1941 appropriation. There is an estimated deficiency for the fiscal year 1941 on the basis of present rates of allowance of claims of \$18,717,833. Considering the regular appropriation of \$42,000,000, the anticipated deficiency, and the unexpended balance of \$2,206,936 carried over from fiscal 1940 into fiscal 1941, the estimated expenditures for 1941 would amount to \$62,924,769 as against an appropriation of \$63,000,000 allowed for 1942. It is important that appropriations for refunds should be adequate at all times as 6 percent interest runs against the Government commencing in 30 days after the allowance of the claim by the Commissioner. Of the total refunded in the fiscal year 1940, approximately 15 percent was due to interest payments on the amount of the refunds. The total number of refund claims allowed in the fiscal year 1940 was 173,476 for an aggregate of \$65,226,738, or an average of approximately \$375 per claim. The amount of refunds naturally rises as the tax base broadens and the volume of receipts rises. In connection with the consideration of refunds there should also be taken into account the question of abatements and credits. These in the fiscal year 1940 amounted to \$179,278,715 which together with the amount of \$65,226,738 of refunds made a total allowed taxpayers during the year of \$244,505,453. Against this sum there should be countered the amounts collected from additional assessments resulting from office audits and field investigations which in the same fiscal year totaled \$393,909,686 and a considerable portion of this figure includes interest at 6 percent against the taxpayer on the underpayments. There will be found on page 606 of the hearings a table, extending back to the fiscal year 1917, showing total internal revenue receipts, the amount collected from additional assessments, and the amount of refunds, credits, and abatements allowed.

By Reorganization Plan IV, effective June 30, 1940, the duties of the Federal Alcohol Administration were transferred to the Internal

Revenue Bureau and imposed upon the Alcohol Tax Unit, and the Administration was abolished. The appropriation for the Administration for the fiscal year 1941 was \$413,210. By distribution of the duties among the existing Internal Revenue personnel and a reorganization of the work to be performed, the Bureau will carry on the requirements of the law during the fiscal year 1942 at a saving under the former appropriation of \$163,240. The committee is glad to extend its hearty approval of the result which bears out the opinion it has consistently held that the work of the Administration and the Alcohol Tax Unit could be consolidated with a resultant decreased cost and an improved administration.

United States Processing Tax Board of Review.—The committee recommends an appropriation of \$110,000 for the United States Processing Tax Board of Review, a decrease of \$15,000 under the Budget estimate and \$35,000 under the 1941 appropriation. The decrease of \$15,000 in the Budget estimate is effected by appropriating for 7 members of the Board instead of a maximum of 9 which the law permits. At the present time 7 members of the Board have been appointed and the committee feels, in the light of the business the Board has to consider, that such number will be sufficient to consider the cases which may be appealed to it. The jurisdiction of the Board extends to cases adjudicated by the Commissioner of Internal Revenue in the matter of refund claims of processing taxes and appealed to the Board. As of December 31, 1940, the Board has received a total of 363 cases and reopened 26 cases, making a total considered of 389. Of this number 305, involving \$10,980,000, have been decided, of which 291, aggregating \$9,239,000, involved no refund because in a majority of the cases the Board lacked jurisdiction and 14 cases were approved for refunds, totaling \$383,000 out of \$1,741,000 claimed. The Board had on hand as of the above date a total of 84 cases undecided, involving \$21,000,000. Appeals from the Board lie to the circuit courts of the United States, and 20 such appeals have been taken and the Board has been sustained in each instance.

Bureau of Narcotics.—The Bureau of Narcotics shows a decrease of \$24,805 under the current fiscal year. This reduction represents a transfer from the Bureau to the Federal Works Agency to pay the rent for quarters occupied by the Bureau in Washington. All District of Columbia rental appropriations for the fiscal year 1942 are being transferred to the Federal Works Agency to effect a centralized space control and space supply agency for the Federal activities in the District and this transfer is in pursuance of that policy. Otherwise the funds and organization of the Bureau of Narcotics remain undisturbed as compared to the current year.

Coast Guard.—The total allowed for the Coast Guard is \$62,193,150, a decrease of \$2,084,925 under the total 1941 appropriations and \$3,188,000 under the Budget estimates. In addition to the direct appropriations recommended for 1941, a contract authorization for vessel construction of \$6,370,000 is included. Eliminating from the 1941 appropriations the nonrecurring construction and equipment items and comparing that base with the total 1942 figure including 1942 nonrecurring items, the bill shows an increase of \$18,959,440 in direct appropriations plus the contract authorization of \$6,370,000. This is a very substantial outlay and the committee has considered

carefully the additions proposed and weighed these against the important duties of the Coast Guard both as to its regular activities and the additional duties placed upon it in connection with the present emergency and as a potential part of our national defense forces.

The regular duties of the Coast Guard pertaining to law enforcement, lifesaving, and assistance work, highly important in normal times, are accentuated by the emergency. In addition to these regular duties the Coast Guard by law is a part of the military forces of the United States operating under the Treasury Department in time of peace and under the Navy Department in time of war, or when the President shall so direct. In company with our defense program of building up and placing the Navy in a strong, efficient situation, it has become necessary to make such improvements and alterations and provide such equipment and supplies as will place Coast Guard vessels, suitable for operation with the Navy, in a position to fulfill that duty when called upon. This has necessitated substantial appropriations in the past and accounts for an important part of the money in this bill.

The Neutrality Act has placed important patrol and other duties on the Coast Guard extending along the coast line and in the ports. Included in this duty is the inspection and sealing of radio equipment aboard merchant vessels of belligerent nations in our territorial waters, the inspection of armed merchant vessels, the surveillance of merchant shipping off our coasts and in our harbors, and the determination of the necessity of repairs to belligerent merchant vessels.

Pursuant to orders of the President and regulations of the Secretary of the Treasury, the Coast Guard is charged with captain-of-the-port duties in all ports of the United States involving the responsibility for the anchorage, movement, inspection, and supervision of all merchant vessels, foreign and domestic, in all parts of the United States and under the provisions of the act of October 9, 1940, is charged with the duty of enforcement of the provisions relating to the transportation, stowage and storage of explosives, inflammable material and other dangerous cargo. The captain-of-the-port duties of the Coast Guard also involve an individual ship control which requires every vessel, foreign and domestic, obliged by law to obtain a clearance from a collector of customs before sailing to obtain a special permit from the Secretary before leaving port.

In addition to the duties enumerated the Coast Guard is called upon to carry out special duties such as the mission to Greenland, the detail of a number of vessels for weather observations in the Atlantic, the performance of ice-breaking duties in connection with merchant shipping and in the interest of the defense program, the training of seamen for the United States Maritime Commission, and the highly important duty of the establishment and maintenance of aids to navigation in connection with new naval and military establishments both in our own and foreign countries.

The addition of the new duties and the enlargement of the former duties of the Coast Guard have necessitated an expansion of officer and enlisted personnel, the addition of new vessels, the improvement of existing vessels and facilities, and substantial amounts have been provided heretofore toward that end.

The present bill makes provision for additional personnel, vessels, equipment, shore facilities, and maintenance and repair to meet the requirements of the service which experience and the constant growth of these duties have demonstrated to be necessary. Aside from the increased funds allowed in the bill for maintenance, repair, and incidental equipment for the fleet and shore stations, provision has been made for the following special projects and purposes for the fiscal year 1942:

Personnel increases to provide for an average increase of 110 commissioned officers, 54 cadets, 127 warrant officers, and 1,000 enlisted men; increased amounts to carry for a full fiscal year the 4,000 enlisted men provided at last session for a part of fiscal 1941; increased personnel on the retired list; increase in present quarters allowance to enlisted men from 75 cents to \$1.15 per day in accordance with a projected Executive order effective July 1, 1941, based upon findings of the Army and Department of Labor (estimated additional cost, \$288,058); payment of quarters allowance to enlisted men of first, second, and third grades in instances where public quarters are not available for their dependents pursuant to acts of Sept. 16, 1940, Oct. 17, 1940, and May 18, 1920 (increased cost, \$1,465,593); and necessary longevity, travel, and incidental personnel expense-----	\$5, 021, 342
Installation of searchlights, supersonic depth finders, antiaircraft machine guns, two-way portable radios on cutters not so equipped, and the purchase of gas masks and gas equipment for a number of vessels of the fleet (made immediately available)-----	1, 500, 000
Procurement of 17 amphibian airplanes with spare engines and parts, radio and ordnance equipment, for replacement of a similar number of obsolete planes, \$39,000 each-----	663, 000
3 new cutters of the 327-foot class to replace 1 vessel built in 1912 and 2 built in 1915, to cost \$3,790,000 each, total cost of \$11,370,000, divided in the bill between \$5,000,000 direct appropriation and \$6,370,000 contract authorization-----	5, 000, 000
2 vessels of the tug class to be constructed as ice breakers to replace vessels of more than 40 years of age, \$364,000 each-----	728, 000
10 cutters of the 78-foot class with a speed of 20 knots to be in addition to 30 of the same class heretofore provided for use in connection with captain of the port duties-----	780, 000
4 cutters of the tender class (lighthouse work) to replace vessels, respectively, 48, 36, 28, and 25 years of age, 2 to cost \$480,000 each, 1, \$175,000, and 1, \$250,000-----	1, 385, 000
Site, buildings, and equipment for relocation of primary radio station, Boston, Mass., removed from Fort Heath Military Reservation--	218, 000
Completion of construction of Lake St. Clair, Mich., life saving station (made immediately available)-----	191, 000
Establishment and improvement of aids to navigation, including \$204,835 for new work in the Pacific Islands and \$495,850 for new work in Alaska, both national defense projects-----	1, 500, 000
Major repair and reconditioning of 3 lightships, 10 cutters of the tender class, one cutter of the 125-foot class, and engine replacements for generators for small boats (made immediately available)-	335, 000

The appropriation and Budget estimate "Special projects, vessels," has been abolished. The Budget estimate for such purpose, \$1,720,000, has been divided and the amounts transferred to other items. The sum of \$335,000 for major repairs and reconditioning of vessels has been transferred to the appropriation "General expenses," included as a part of the allocation for repairs to Coast Guard vessels, and made immediately available. The sum of \$1,385,000 for replacement of four cutters of the tender class (lighthouse vessels) has been transferred and included as a part of the appropriation "Construction of vessels and shore facilities."

The committee has eliminated from the Budget estimate "Construction of vessels and shore facilities" the sum of \$3,000,000 for the proposed Coast Guard Training Station at Avery Point, Conn. This is a project designed to bring together the scattered training facilities on the east coast for enlisted personnel of the Coast Guard and the training program being conducted by that service for the United States Maritime Commission. The committee has gone fully into the project and while it has much to recommend it from the standpoint of consolidating at one point and improving the training program, the facilities would all have to be constructed and assuming that they were given the necessary priorities in labor and materials, the first graduates could not be had from the station before the early part of the calendar year 1943. Under the circumstances, the committee feels that while the project may be desirable it does not possess sufficient of the characteristics of urgent necessity as to warrant its inclusion.

Bureau of Engraving and Printing.—The sum of \$10,000,000 is recommended for the Bureau of Engraving and Printing, an increase of \$1,551,776 over 1941. This increase includes \$1,012,948 for 16,870,000 additional sheets of currency (from 77,265,000 sheets for 1941 to 94,135,000 for 1942), \$98,637 for additional sheets of internal-revenue stamps (from 152,817,777 sheets for 1941 to 160,193,505 for 1942), \$101,054 for equipment (from \$48,946 for 1941 to \$150,000 for 1942), \$170,150 for replacement of 4 of 8 hydraulic elevators, \$40,000 for reconstruction of incinerators, and \$30,000 for 6 of a program of 48 new truck drying units. The increase in the currency-program accords with the program recommended and explained under the item for distinctive paper under the Bureau of the Public Debt. The printing of 94,135,000 sheets of currency for 1942 will provide \$5,650,000 sheets for issue to redeem worn-out currency (same program as current year) and 8,450,000 sheets to be added to the reserve of finished currency to bring the stock to a 3-months' supply.

Secret service.—The total appropriation for the Secret Service is \$1,280,943, an apparent increase of \$129,543. The increase for the departmental force is \$4,543, accounted for principally by the transfer of 1 agent from the field roll to the Washington roll. An increase of \$130,400 for the field organization provides for the continuation of the salaries and expenses of 46 additional agents now being employed for special confidential work under an allotment of \$127,500 from the President's emergency funds.

The appropriation for salaries and expenses of the guard force for Treasury buildings in the District of Columbia, including the Bureau of Engraving and Printing, is carried in the bill under the heading "Custody of Treasury buildings" but the force is supervised and administered by an operative of the Secret Service under the Direction of the Chief. The amount recommended for guards is \$406,900, an increase of \$116,900. This sum contemplates the employment of 1 additional clerk and 124 additional guards. The present force consists of 240 guards supplemented by 53 additional supplied during the present fiscal year from an allotment of \$46,000 from the President's Emergency Funds. The increase for 1942 contemplates the continuation of the employment of the 53 and the addition thereto of 10 guards to complete the covering of posts in additional buildings and

to strengthen the guard forces in the Bureau of Engraving and Printing. These 63 guards are provided during the present emergency. The remainder of the 124, or 61, is to be added to the present regular organization. A survey by the Secret Service, the Bureau of Engraving, and Treasury officials, both as to temporary national defense needs and permanent service, has resulted in these recommendations. In order to cover existing posts of the Treasury buildings it has been necessary to deprive members of the guard force of Saturday, Sunday, and holiday leave, as well as to curtail the annual leave. This leave is cumulative with the result that as of December 31, 1940, an average of 45 days per man will have been established and unless additional guards are provided the situation in 1942 will grow progressively worse. The Secret Service has the responsibility for the safeguarding of the vital activities of the Treasury Department and the committee feels justified in recommending the program which Chief Wilson has so carefully studied and presented.

Bureau of the Mint.—The total for the Bureau of the Mint shows an apparent reduction of \$443,580, but when nonrecurring items are taken into consideration, there is an increase of \$172,500 for transportation of bullion and coin and \$223,066 for mint operations. The manufacturing operations of the mints for the fiscal year 1942 are predicated upon the production of over a billion pieces of coin, the same as for the present fiscal year, which was by far the largest output in the history of Government minting. The great demand for coin started early in the summer and continued until after Christmas and necessitated the manufacture of almost all of this money in the first 6 months of the present fiscal year. To do this it became obligatory upon the mint management to place these institutions on almost a continuous basis of manufacture every day in the week, including Sundays, for a large part of the time. In the early part of the fiscal year the requisitions of the Treasurer of the United States for coin for circulation purposes exceeded the amount on hand. There are no reserve stocks of coin and if the unprecedented demand continues, which seems likely under the expanded business condition in the country, the same situation will again be repeated. The committee recommends that some study be given to the development of a program which will permit the accumulation of a reserve of coinage in the slack demand season, usually the latter half of the fiscal year commencing after Christmas, so that when the heavy demands arrive the mints may not have to operate day and night every day. Such a reserve would have the effect of distributing the manufacturing load on a normal basis through the fiscal year.

The appropriation for transportation of bullion and coin, while showing an apparent reduction of \$27,500, contains a new item of \$125,000 for the shipment of \$500,000,000 in refined gold from the San Francisco Mint to the Denver Mint for storage and \$47,500 for the shipment of 200,000,000 ounces of refined silver from the New York Assay Office to the West Point Silver Depository.

The appropriation for salaries and expenses of mints and assay offices, while showing an apparent reduction of \$416,040, provides some increases in 1942. The 1941 appropriation included \$490,220 for new equipment and after deducting this sum and \$80,230 due to the installation of this equipment, there is an increase of \$223,066 for new machinery and equipment consisting of a new electric furnace at each the New York Assay Office and the Denver Mint, to cost \$70,000

each, and new machinery, presses, scales, and general overhaul of presses at these and other establishments. Aside from the new equipment and the reduction in costs due to the installation of the new equipment purchased in 1941, the remainder of the appropriation is on the same basis as 1941.

Procurement Division.—The total recommended for the Procurement Division is \$889,000, an apparent decrease of \$59,798,173. This is accomplished through the elimination of a nonrecurring appropriation of \$60,000,000 for the procurement of strategic and critical war materials and an increase of \$201,827 in the item of salaries and expenses. The latter amount results from the elimination of 2 positions with salaries totaling \$4,200 and the addition of 104 positions with total salaries and expenses of \$207,809, and an increase of \$1,782 in the amount set up for lapses in salaries. The increase of \$207,809 will provide 84 employees with a total for salaries of \$121,900 and \$31,377 for equipment for the establishment of a new unit to procure data in connection with Federal purchases, 15 additional employees with salaries totaling \$40,100 for the Federal Specification Division, and 5 additional employees with salaries aggregating \$8,860 for the Federal Stock Catalog Division.

The Procurement Division under existing law has authority to make procurements of materials, supplies, and equipment that may be needed by other departments of the Government and for which they have funds. The purpose of the centralized purchase is to secure the economies and benefits which come from considering as much of the Government needs for similar purchases on the basis of one contract instead of a number of different contracts represented by the different Federal agencies concerned. On the basis of data for the fiscal year 1939, the actual expenditures by all Government agencies for supplies and equipment totaled \$424,000,000, of which \$71,000,000 was expended through contracts made by the Procurement Division. This \$71,000,000 represented \$11,000,000 expended through definite quantity contracts and \$60,000,000 expended through long-term or indefinite quantity contracts. As to the remaining \$353,000,000 expended for these purposes, neither in the Procurement Division nor any other agency of the Government is there a centralized record to show what was bought, where it was bought, who bought it, what prices were paid, or where the material was used. The purpose of the new unit is to make an analysis of this large volume of Government purchases in order to determine what part of it can advantageously be obtained through central contracts, either definite or indefinite as to quantity, and what saving or benefit would accrue to the Government as the result. After this data is assembled and analyzed the matter of centralizing the contracting would need to be worked out cooperatively with the various agencies concerned wherever it was shown that centralized contracts would be in the interest of the Government. The new unit is requested for this purpose. The personnel required to make the initial census of these purchases is larger than will be required to maintain the records once they are established. The committee has gone fully into the matter with the Director of Procurement and commends the reading of his testimony on this particular matter. He has cited interesting instances of savings resulting from the centralized contracting and particularly in connection with large contracts in connection with the defense program.

As to the long range importance of this survey or census of normal purchases in order to obtain basic data needed for business-like procurement methods, the following excerpt from his testimony is quoted:

I feel that in order to know how to buy most advantageously and economically we must have factual information relative to commodities that are used by the Government agencies.

There is no centralized information at the present time relative to purchases that we can look to, consequently we believe the first step is to make a study of the over-all Government purchases by means of recording what commodities are purchased, which agencies buy them, prices paid, points of use, and specifications designated. On the basis of this information we can then make a study of each commodity, taking, of course, the more important ones first and from the factual information which would then be available it can be determined whether the commodity should be purchased for warehouse issue, whether consolidated purchases should be made for direct shipment to the using agencies or whether the commodity should be purchased on a general schedule contract that does not provide for a definite quantity.

Not having that information at the present time it is very possible that there are certain items now being purchased under the general schedule contracts that should be warehouse items, which would enable definite quantity purchase; however, there are some 30,000 items covered in our general schedule contracts at the present time and there are some 1,700 items carried in our warehouse and, in addition, there are many commodities used by Government agencies that are not carried in our warehouse or covered by general schedule contracts, consequently it will be seen that it is a matter that requires a special study. That is why we are asking for a statistical division in order to get the factual information.

The additional personnel for the Federal Specification Division is the result of a study and recommendation made by the Advisory Commission of the Council on National Defense. This report and a letter of recommendation from Mr. Donald M. Nelson, Coordinator of Defense Purchases, will be found commencing on page 651 of the hearings. The purpose of the additional force is to standardize more of the Federal specifications than is possible at the present time, and to provide Federal specifications for more of the Government buying than is now practiced. There are 1,314 Federal specifications which have been worked out cooperatively between the Procurement Division and the advisory technical and research committees from the various departments. It is estimated that there are now some 6,000 specifications being used by the Government, of which approximately 4,000 are in use by the Army and Navy. Of the 6,000 specifications some 1,300 are Federal specifications and 4,700 are not. While not all of the latter should be Federal specifications there is a very large number that should become Federal, with a consequent saving to the Government as a result of their use in purchasing. The small increment of personnel recommended will not convert into Federal all of the specifications which might become such, but will enable the conversion to be expedited in the direction of the more important commodities.

POST OFFICE DEPARTMENT

Finances.—The total amount carried in the bill for the Post Office Department is \$842,064,311. This sum is \$26,574,134 more than the total of the 1941 appropriations and \$3,948,276 less than the Budget estimates. In connection with this comparison it should be noted that for the present fiscal year, due to the unexpected increase in postal business, there will be required an estimated total of additional

appropriations of from \$21,000,000 to \$23,000,000. Assuming the latter deficiency figure to be the one that will eventuate as the final additional requirement for 1941 and adding it to the \$815,490,177 heretofore appropriated for 1941, the aggregate for the year would become \$838,490,177 and this sum compared with the total of the bill, \$842,064,311, will show an increase of \$3,574,134 for 1942 over the total appropriations estimated to meet the 1941 needs.

The Post Office Department is experiencing a sharply rising curve in postal receipts which began with the fiscal year 1939 and the prospect, in the light of expanding industrial conditions and rising national income, is that it will continue during this and the coming fiscal years. The revenues for the following fiscal years portray this rise:

Fiscal year 1938.....	\$728, 634, 651
Fiscal year 1939.....	745, 955, 075
Fiscal year 1940.....	766, 948, 826
Fiscal year 1941.....	¹ 785, 000, 000
Fiscal year 1942.....	¹ 795, 000, 000

¹ Estimated.

The above estimated revenues of \$785,000,000 for the fiscal year 1941, showing a gain over the fiscal year 1940 of approximately \$18,000,000, were prepared prior to the submission of the 1942 Budget and do not reflect the continued high trends of recent months.

The latest figures of the Department show that for the first 6 months of the fiscal year 1941, ending with December 31 last, there was a gain over the first 6 months of the fiscal year 1940 of \$21,978,000, or 5.68 percent. On the basis of the calendar year 1940, compared with the calendar year 1939, there was a gain of \$31,291,600, or 4.14 percent. There is every reasonable expectation, in the light of the unusual increases that have taken place in the first 6 months of this fiscal year, that the revenues for the fiscal year 1941 will reach a total that is nearer \$800,000,000 than \$785,000,000 and that the estimated figure for the fiscal year 1942, will be substantially in excess of the \$795,000,000 estimated in the 1942 budget assuming that business and income trends continue upward.

When the appropriation bill for the fiscal year 1941 was prepared a year ago, the revenues for the fiscal year 1941 were estimated at \$760,000,000 for that fiscal year and the appropriations were allowed on that basis. With these revenues now estimated to be close to \$800,000,000, it is apparent that appropriations which were granted on the lower revenue estimate will be proportionately insufficient to meet the expenditure requirements.

These revenue increases naturally result from an increase in volume of business and it must be remembered that increased volume of business of any material proportion must of necessity cause an increase in expenditure for personnel, transportation, equipment, and other items of cost that enter into the prompt and efficient handling of the mail. The Post Office Department is a service agency for the American people and the public wants and expects an adequate service. It cannot be continued on the present efficient basis unless the Department is staffed and equipped to do so.

There are two ways of measuring the financial result of the Postal Service. The first is the gross deficit resulting from a comparison of total postal revenues with total expense. The second is the net sur-

plus or deficit after taking into consideration the credits allowed under the act of June 9, 1930, for nonpostal costs and for earnings lost through free, preferential, frank, and penalty mails. The hearings, pages 8 and 9, contain the data on postal revenues, postal expenditures, gross deficit, and net deficit or surplus after deducting the nonpostal items permitted under the act of June 9, 1930, for the completed fiscal years 1929 to 1940, inclusive, and the estimated basis for the fiscal years 1941 and 1942. In connection with the latter 2 fiscal years the figures will be somewhat varied from those stated due to the change in estimated postal revenues which have come about since these figures have been prepared and by some variations in the estimated expenditure figures that will necessarily accompany the changed revenue situation. The gross deficit for the fiscal year 1940 was \$41,000,000 and the net surplus, after making an allowance of \$59,000,000 for the nonpostal items, was \$18,000,000. The net surplus estimated for the fiscal years 1941 and 1942, on the basis of unrevised figures, are stated, respectively, at \$15,000,000 and \$9,000,000. In the light of higher revenues now indicated for these fiscal years, the net surpluses for these years should be higher and the gross deficits, estimated previously at \$45,000,000 and \$51,000,000, respectively, should be lower.

Service increases.—While increases are reflected in 1942 over 1941 in the majority of items of appropriation for the Postal Service, the principal increases occur in the large items of personnel and railroad transportation reflected in the appropriations for clerks and employees at first- and second-class post offices, city letter carriers, railway mail clerks, and railroad transportation of mail. These four items account for \$24,237,000 of the apparent increase of \$26,574,134 in the 1942 recommendations in this bill as compared with the 1941 appropriations exclusive of any prospective deficiency or supplemental amounts for this year, leaving \$2,337,134 of increase for the rest of all postal items. Included in the \$2,337,134 are the necessary increased amounts for automatic promotions for postal employees under the law, for advances in pay to postmasters and assistant postmasters based upon the increase in the receipts of their offices, for special-delivery fees, for supplies, equipment, stamps, and vehicular costs, all arising in connection with the increased volume of mail. Several important factors involving either increases or decreases in the appropriations and not particularly connected with the increased costs developing from the rising tide in postal business are specifically set forth in the report.

Included in the increase of \$24,237,000 on the four major postal items is a new amount that will need to be paid to railroads for carrying the mail due to the elimination of land-grant rates under the Transportation Act of 1940 to those railroads which, up to January 3, 1941, have filed releases upon any land-grant claims they might have against the Government. If all land-grant railroads carrying the mails should file releases, the total increased cost to the Post Office in 1942 on account of the Transportation Act of 1940 would be \$2,519,594.77. Those railroads which have filed releases to January 3, 1941, require an increased cost of \$2,034,861.39, leaving an estimated increased cost of \$484,733.38 that would have to be paid to the remaining railroads assuming they all filed releases.

For the present fiscal year it has become necessary, in order to handle the unpredictable increase in the volume of mail, to employ a large number of additional regular employees and substitute and auxiliary personnel. When the 1941 Budget was originally prepared the estimated increase in revenue was so slight for 1941 over 1940, that it was believed the then organized forces could handle the volume. The sharp increase which has taken place in this fiscal year will make it necessary to employ, where no substantial increase was anticipated, approximately 1,693 additional clerks at first- and second-class offices, 1,496 city letter carriers, 160 laborers, and additional substitute personnel over that previously estimated. The sums approved for the fiscal year 1942 based upon a small increase in revenue in that year over the revenue now estimated for 1941, contemplate the addition of 750 clerks at first- and second-class offices, 600 city letter carriers, 150 railway postal clerks, and 200 post-office laborers.

The committee feels that the amounts which have been approved for the major items of postal facility are as reasonable sums as can be estimated at this time of what is in prospect in 1942. If it should become necessary, by reason of the business exceeding the estimates upon which these appropriations were based, the committee understands and expects that the Post Office Department will care for the volume of mail expeditiously and if it becomes necessary to go on a deficiency basis to do so the Congress will gladly provide the additional sums which experience indicates are absolutely necessary. This is not a new procedure in the handling of postal affairs and is deemed a wiser course than in attempting to appropriate fully for the maximum anticipated volume of business 18 months in advance of the time when the period in which that volume of business would arise will expire. Postal officials concur in this view and approve the procedure.

Postal inspectors.—An increase of \$71,550 is allowed for salaries and travel of 20 additional postal inspectors for temporary employment during the fiscal year 1942 in connection with the organization and operation of postal facilities to be established in military camps and cantonments. The prompt organization and efficient operation of these facilities for the benefit of the largely augmented military and naval personnel is a highly important factor not only for the expeditious handling of the mail but also for the contentment of the men and their families. Most of the cantonments involve a major postal operation and the guidance and advice of experienced inspectors is essential. The committee has rejected a request of \$86,650 for 25 additional inspectors for normal postal activities in view of the substantial increments provided in the force in recent years and the progress that has been made on the volume of cases. The additional 20 inspectors for national-defense work are allowed by the committee with the definite understanding that they are provided for that emergency and are temporary.

Mail transportation (powerboat).—The committee has made a reduction of \$370,000 in the current appropriation and \$367,880 in the Budget estimate for transportation of foreign mail by steamship routes. The curtailment of sailings to Europe where the large volume of mail is consigned has made this cut possible and while the volume to South

and Central America has increased the committee is of the opinion that the amount allowed, taking into consideration the comparative costs in the curtailed period with a normal period, will be adequate to care for the service unless there should be a cessation of the present disturbed conditions. In that event it might become necessary to supplement the amount carried in the bill.

The amount allowed for inland transportation by steamboat routes is \$1,397,750, which is \$72,250 in excess of the current year and \$22,250 less than the Budget estimate. The increase over 1941 consists of \$50,000 for increased poundage to Hawaii and \$22,250 to provide payment for 65 trips for carrying the mail from Seattle to Seward, Alaska. The contract with the carrier provides payment for 55 trips a year and in the fiscal year 1940 a total of 75 round trips was made and an average mail load of 60,562 pounds carried per round trip. The Budget estimates asked for payment for 70 trips at the current rate of \$4,000 per trip. In view of the number of trips made and the mail carried, the committee at the last session increased the number of paid trips from 55 to 60. The recommendation in the bill is for payment for 65 trips, accounting for an increase of \$20,000. A similar situation prevails with reference to the contract for carrying mail from Seattle to Nome, Alaska, and in this instance the committee has allowed an increase in the trip rate of \$450 instead of \$900 recommended in the Budget estimate for an increased cost of \$2,500. These contracts will expire on June 30, 1941, and the altered conditions in connection with Alaskan mail will have to be determined in the light of the conditions that will prevail at that time.

Alaska Air Service.—An item of \$20,000 increase is provided for star routes in Alaska to provide additional air service in that Territory. The additional amount will provide \$11,400 for 25 round trips, once a week, during the summer from Fairbanks via intermediate points to Nome, from May 7 to October 31 and will supplement the service now performed on this route during the winter from November 1 to May 6; \$2,500 for a new route from Fairbanks to Anchorage twice a week throughout the year to furnish adequate service for the new Army base at Anchorage; and \$6,070 to provide for additional poundage on pound-rate routes and to provide for miscellaneous and emergency service as it may become necessary. The committee has eliminated \$1,000 from the miscellaneous service estimate and \$4,000 for a proposed new route from Juneau via Petersburg and Wrangell to Ketchikan to provide for local service to Wrangell and Petersburg which the committee feels is not warranted under existing conditions.

Postage stamps.—The committee has reduced by \$165,000 the Budget estimate for stamps, stamped envelopes, etc. In making this decrease the sum of \$100,000 has been taken from the item for the printing of bicolored 6-cent air-mail stamps of which the Department estimated 130,000,000 pieces at \$1.19 per thousand. Single-colored air-mail stamps of other denominations, including trans-Atlantic and trans-Pacific stamps, cost from 24 to 40 cents per thousand and the committee feels that the high cost of bicolored stamps is not justified. A single-colored 6-cent air-mail stamp should cost, for the quantity estimated,

approximately \$100,000 less and the committee feels that a suitable design for the domestic stamp in a distinguishable color should be devised at a reasonable cost.

Advances to foreign air-mail carriers.—The appropriation for balances due foreign countries in connection with the settlement of international postal transactions between this country and other nations shows an increase of \$300,000. This is largely due to the act of August 27, 1940, which provides for the advance to United States flag foreign air-mail carriers out of this fund the money due from foreign governments for carriage of air mail coming to the United States and payable by foreign governments. The money is due the United States and through the United States to the carriers. The United States air-mail carrier from Europe has earned \$1,500,000 for carriage of westward bound mail for the account of foreign countries which is unpaid by those countries and under this act the Post Office Department has advanced to the carrier the sum of \$769,000. The United States is protected either by charging the amount of these advances off in the settlement of our balances with the foreign nations in the adjudication of international postal transactions or, if not paid by the foreign government to the United States within 12 months, the amount advanced by the Department may be deducted from payments owed by the United States to the carrier.

Postal equipment.—The committee has included in the appropriation for postal equipment and supplies the sum of \$57,000 for the procurement of postage meters and stamp vending devices. This type of equipment has been tested out experimentally by the Post Office Department and is recommended for installation in a number of post offices of large volume transactions to expedite the service to the public. These devices were exhibited to members of the subcommittee and the postmaster of Washington was called to tell the committee of the experience of that busy office with the metering device. The machinery is not advocated or provided as labor saving but in the interest of expedition and accommodation of the users of the Postal Service.

Domestic air mail.—The air-mail business of the Department, both foreign and domestic, continues to expand. The amount for foreign air-mail transportation is recommended at \$15,477,831, a decrease of \$769,318 under 1941, and the amount for domestic air-mail transportation is fixed at \$21,280,327, an increase of \$840,128. The decrease in one service and the increase in the other will practically offset each other and leave the total cost to the Government in 1942 approximately equal to that of 1941.

The amount for domestic air mail, \$21,280,327, is based upon the continuation and operation of existing routes with increased frequency of service on a number of routes which are provided under the increase of \$840,128 in the appropriation. The Department has found that frequency of service is one of the most vital factors in increasing air-mail revenue. The additional frequencies proposed are upon routes which at the present time have but one round trip daily and the additional service will increase that to two round trips daily.

The following table shows the routes and the annual rate of cost involved:

Route	Proposed increases in frequency of service	Distance	Average mail load	Percentage of basic unit used	Annual cost
	<i>Miles</i>				
21	1 round trip daily: Boston to Syracuse.....	295	16	5.33	\$71,783.33
	Buffalo to Cleveland.....	197	25	8.33	47,936.67
26	Bismarck to Huron.....	220	26	8.67	61,028.00
27	Caribou to Bangor.....	167	11	3.67	43,887.60
34	Buffalo to Washington.....	329	24	8.00	91,264.60
35	Huron to Cheyenne.....	560	38	12.67	130,326.90
39	Jacksonville to New Orleans.....	516	79	26.33	105,470.40
40	Atlanta to Tallahassee.....	221	110	36.67	114,420.20
	Memphis to Tallahassee.....	498	64	21.33	
	Tallahassee to Tampa.....	298	29	9.67	
41	Detroit to Sault Ste. Marie.....	346	25	8.33	90,928.80
42	Houston to San Antonio.....	193	42	14.00	
	Houston to Brownsville.....	313	121	40.33	
43	Wichita to Pueblo.....	405	80	26.67	98,550.00
	Total increased frequencies.....				855,596.50
	Less deduction for estimated 97 percent performance of service.....				25,667.90
	Net amount required.....				\$829,928.60

Neither the Budget estimates nor the bill make any provision for new routes. The committee in the last Congress indicated that as a matter of procedure in this respect the Budget estimates for new routes should not be submitted to Congress until after the Civil Aeronautics Board had issued certificates and made its findings as to the routes to be established. Under the Civil Aeronautics Act the initiation of these routes rests with the Civil Aeronautics Board. The Post Office Department may indicate or suggest the routes that would be in the interest of air-mail service, but the routes and the fixing of the rates must be determined by the Civil Aeronautics Board.

There is a continued development and expansion of domestic aviation. The revenues from air-mail postage in the fiscal year 1940 for the first time in the history of the service, were slightly in excess of the amount the Government paid to the contractors for carrying the mail. There are a number of tables on pages 250, 251, and 252 of the hearings which portray the amazing growth of this form of mail transportation and of course incidental to this mail service of the air carriers there has come, with the encouragement of the mail payments, the development of the air passenger and express business into the finest system of domestic airway operations that exists any place in the world.

Two methods of comparison of air-mail expenses with air-mail revenues exist. The first is the comparison of the total revenues with the total amount paid the contractors. The second is the comparison of the total revenues with (a) the total direct expense including the amount paid the contractors plus the out-of-pocket expense paid from other postal appropriations which includes transportation to and from airfields, and salaries for transfer offices at airfields, and (b) the total direct and apportioned expense assignable to air mail which includes the expenses in (a) plus an apportioned cost of clerk and carrier services at post offices and in the Railway Mail Service, together with a proportion for overhead. Using any method of comparison the result so far as the Government is concerned has grown progressively and

rapidly more satisfactory each year since the fiscal year 1932. The following data comparing the fiscal year 1932 with the fiscal year 1940 are illuminating:

	Fiscal year 1932	Fiscal year 1940
Excess of total domestic air-mail expenditure, direct and apportioned, over domestic air-mail revenue.....	\$17,755,087	\$8,916,344
Excess of direct domestic air-mail expenditure over domestic air-mail revenue.....	14,698,475	1,982,085
Excess of amount paid domestic air-mail contractors for carrying domestic air mail over domestic air-mail revenues.....	13,921,842	-----
Excess of total domestic air-mail revenues over total amount paid domestic air-mail carriers.....	-----	443,984

Statistics on the growth of the service in a comparison of the two years are most interesting:

	Fiscal year 1932	Fiscal year 1940
Miles of routes.....	26,745	37,943
Miles flown.....	32,202,170	59,190,838
Pound-miles performed.....	6,275,935,094	18,671,367,440
Average mail pay per mile.....	\$0.619	\$0.316
Average mail pay per pound-mile.....	\$0.003	\$0.001
Total paid air-mail contractors.....	\$19,938,122	\$18,678,921
Air-mail postage revenue.....	6,016,280	19,122,906
Pieces domestic air mail dispatched.....	88,992,576	259,188,781

The foregoing table indicates that while the Government paid air-mail contractors approximately a million and a quarter dollars less in the fiscal year 1940 than in the fiscal year 1932, the number of route miles increased in that period by more than 11,000, the miles flown were 27,000,000 more, the pound miles tripled, the revenues tripled, the pieces of mail carried tripled, the average mail pay per mile was cut in half, and the relationship between air-mail revenues and total direct air-mail expenditure has been drawn almost to a balance.

Foreign air mail.—The amount recommended for foreign air-mail service is \$15,477,831, a decrease of \$769,318 under the 1941 appropriations. This net reduction results from a balancing of a number of factors of increase and decrease affecting rates, changes in schedules, frequencies, readjustment of routes, etc.

The importance of the foreign air-mail service in the development of our commerce and trade with other countries has been recognized by Congress heretofore by granting funds for its comprehensive extension. The present disturbed conditions in Europe and other parts of the world have brought an important opportunity for the United States in connection with certain markets of the world, particularly South and Central America. The institution by other nations of air service from Europe to South America following the previous World War had much to do with the diversion from the United States to European countries of a large amount of trade which had been built up by us during that war period. Present disrupted conditions in Europe have again thrown to the United States the opportunity of securing a greater amount of certain world trade than prevailed in normal times. The frequency of mail and passenger communication between nations is a vital, but not a controlling, factor in building up these trade relations and maintaining them thereafter.

No one will contend that the amount expended by the Government for foreign air service will presently be returned in dollars and cents in revenues from postage. Other nations liberally assist their foreign air lines for trade-promotion purposes. The United States contractors on these routes must furnish for themselves a considerable amount of service, which, in the case of the domestic air lines, is furnished at direct public expense and is not included in the contractors' operating expense.

The revenues from foreign air mail, particularly on the trans-Atlantic route and the South and Central American routes have been increasing in a greater proportion than the amount necessary to be expended for the performance of the service. The following table shows a comparison of the revenue and expenditure for the past 6 years.

International air-mail service—air-mail service to foreign countries—revenues, expenditures, and excess of apportioned expenditures over revenues for the fiscal years shown

Fiscal year—	Postage revenue	Service revenue	Total revenue	Expenditures	Excess of apportioned expenditures over revenues
1936.....	\$1,197,586.41	\$1,487,562.68	\$2,685,149.09	\$6,993,470.42	\$4,308,321.33
1937.....	1,868,782.75	1,995,357.57	3,864,140.32	7,121,695.44	3,257,555.12
1938.....	2,207,979.06	1,962,537.77	4,170,516.83	9,063,345.73	4,892,828.90
1939.....	2,459,501.17	1,943,658.95	4,403,160.12	9,239,044.89	4,835,884.77
1940.....	4,810,215.21	2,461,914.84	7,272,130.05	12,416,516.00	5,144,385.95

The foregoing table shows an excess of expenditures over revenue in the fiscal year 1940 of \$5,144,385. The increase in revenue, expenditures, and the excess of cost in that fiscal year are attributable mainly to the inauguration of the trans-Atlantic service which started practically with the beginning of that fiscal year. A number of the long foreign air-mail routes are comparatively new, particularly the routes across the Atlantic, to Asia, and to New Zealand. Full development of the postal-revenue features of the routes are dependent upon our trade development in the countries which those routes reach.

The following table furnishes interesting statistics on the foreign air-mail service for the past 6 fiscal years:

Total revenues of foreign air mail carriers, miles flown in mail service, poundage of air mail transported, and postage and service revenues for the fiscal years 1935 to 1940, inclusive

	1935	1936	1937	1938	1939	1940
Express revenue.....	\$102,297.95	\$141,937.72	\$209,199.39	\$460,974.27	\$526,000.00	\$708,000.00
Passenger revenue.....	1,087,458.20	1,375,747.22	2,052,358.02	4,443,620.39	4,572,000.00	7,917,000.00
Total.....	1,189,756.16	1,517,684.94	2,261,557.41	4,904,594.66	5,098,000.00	8,625,000.00
Mail pay.....	6,828,178.08	6,610,271.15	7,880,001.17	8,579,524.57	9,224,816.49	12,424,721.69
Grand total.....	8,017,934.24	8,127,956.09	10,141,558.58	13,484,119.23	14,322,816.49	21,049,721.69
Mail-miles flown.....	3,682,621.0	3,754,537.3	4,448,608.3	4,994,557.6	5,357,405.1	5,907,124.5
Average mail pay per mile.....	\$1.854	\$1.7606	\$1.7713	\$1.7178	\$1.7219	\$2.1033
Pounds of mail transported.....	228,593	284,258	384,695	454,741	545,554	816,593
Postage revenue.....	\$868,832.53	\$1,197,586.41	\$1,868,782.75	\$2,207,979.06	\$2,459,501.17	\$4,810,215.21
Service revenue.....	1,301,975.14	1,487,562.68	1,995,357.57	1,962,537.77	1,943,658.95	2,461,914.84
Total revenue.....	2,170,807.67	2,685,149.09	3,864,140.32	4,170,516.83	4,403,160.12	7,272,130.05

The amounts paid or proposed to be paid the companies by the Post Office Department, while specifically for the carriage of the mail, is in fact Government aid for the encouragement and development of foreign air service to assist in the maintenance and promotion of our foreign trade. Very little foreign air service could be maintained without the very substantial amounts paid by the Government to the operating companies. These payments are firm minimum amounts even though practically no mail may be carried and are increased if the volume of mail rises above the minimum standard load specified for the scheduled trip.

Trans-Atlantic Air Service.—The committee has eliminated from the Budget estimates for the foreign air mail service the sum of \$1,229,736, which represents the amount requested to inaugurate one out-bound trip per week on the trans-Atlantic route between New York and Lisbon by a second air mail carrier, the American Export Airlines Co. This matter was considered by Congress at the last session by way of supplemental estimate and rejected by both the Senate and House Committees on Appropriations. It was presented again for consideration as a part of the 1942 annual Budget. The committee has gone most carefully into the problems involved in this estimate. Hearings were held with representatives of the Post Office Department, the Civil Aeronautics Board, the American Export Airlines, and the Pan American Airways. A reading of the testimony is invited. It will be found commencing on pages 316, 328, 502, 549, and 623 of the hearings.

American Export Airlines has received a certificate of convenience and necessity from the Civil Aeronautics Board which was approved by the President on July 15, 1940. A temporary certificate authorizes one trip per week out-bound from New York to Lisbon for property and mail, operating with a two-motored plane not equipped for the carriage of commercial passengers until September 1, 1941, and a certificate for mail, property, and passengers when equipment suitable for passenger service now under order by the company should be placed in service.

No rate has been fixed for this new service by the Civil Aeronautics Board, and the committee does not know what the new rate for the one trip would be, except in a general way, or how the Budget estimate of \$1,229,736 was arrived at. The Post Office Department estimated \$1,529,736 which was based upon 52 out-bound trips at \$29,418 per trip, which is a conjectural figure adopted for estimating purposes and arrived at by taking the rate fixed by the Civil Aeronautics Board for once-a-week out-bound service on the existing route to Lisbon. The Budget estimate submitted to Congress, \$1,229,736, was apparently based upon the trip rate of \$29,418 and the performance of about 80 percent of the scheduled service.

The present service to Lisbon is performed by the Pan American Airways on a schedule of three out-bound trips per week. The rate fixed for the first and second out-bound trips is \$21,600 per trip with a minimum load of 1,600 pounds of mail and \$4 per pound for mail in excess of that amount. The number of trips made, the mail carried, and the payments to the contractor for each trip since the beginning of the service by Pan American are all set forth commencing on page 325 of the hearing. No rate has been fixed by the Civil Aeronautics Board for the third trip though it was inaugurated last June and no payment can be made by the Post Office Department to the contractor for this service until the Civil Aeronautics Board fixes the rate.

The Pan American Co. filed an offer with the Civil Aeronautics Board, in December 1939, to increase its number of trips to six a week, daily except Sunday, and to perform this out-bound service for \$21,600 for the first two trips, \$14,100 for the third and fourth trips, and \$12,800 for the fifth and sixth trips. In June of 1940 the third trip was started but no pay rate has been fixed. In December 1940 the company amended the offer of December 1939 proposing as fair and reasonable rates for the out-bound trips the sums of \$21,600 for the first two, \$13,800 for the third, \$9,000 for the fourth, \$8,500 for the fifth, and \$8,000 for the sixth.

The disruption of steamship service to Europe has greatly increased the demand for passenger travel by air and the dispatch of mail by that means. It was testified by officials of the Post Office Department that the present contractor is carrying all of the mail even though at times it results in the canceling of passenger accommodations to such an extent that there is a long waiting list of persons desiring to fly who are not able to be accommodated. This is an abnormal situation, and no one can foretell how long it may last or to what extent this diversion of mail and passengers from surface craft to aircraft will continue when normal traffic conditions may be restored to the Atlantic.

The Civil Aeronautics Board was motivated in granting the certificate of convenience and necessity by the provisions of the Civil Aeronautics Act which requires the Board to consider, in the public interest and in accordance with public convenience and necessity—

competition to the extent necessary to assure the sound development of an air-transport system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

The Board in effect found that the trans-Atlantic route offered the best field for this competition and stated "The territory to be served through the termini of the trans-Atlantic route is almost unlimited." It is also stated that the trans-Atlantic was profitable to the Government from a mail-revenue standpoint.

The committee has gone into all of the collateral matters involved in the question of placing a second carrier in this service, such as the securing of landing rights in Portugal, the pending suit in court involving the authority of the Civil Aeronautics Board under the law in arriving at its decision on the certificate, the financial and other fitness of the companies, the type of equipment and its worthiness, the mail service, the national defense features, and the financial aspects as related to the Government.

Brushing aside incidental considerations, it seems to the committee that the fundamental question for decision is whether the Government is justified in expending \$1,500,000 or more a year in assisting another carrier in this field of operation in order to provide competition between American flag air lines at a time when world trade conditions are disjointed and disrupted by war and without knowing what foreign air-carrier competition is to be met when normal conditions may be restored.

Present foreign air mail carriage of the United States is on a monopolistic basis, the Pan American Co. operating practically all important routes. The Civil Aeronautics Board has no authority to control international fares or tariffs, except postal rates, and after a study of the question the Board found there was ample reason for the Board

not to have that authority and recommended to Congress that the Civil Aeronautics Act should not be amended to give it the authority. There is no evidence that the rates and fares charged by the present carrier are not reasonable or that it is making excess profits. The committee was advised by the president of Pan American that over the period of 10 years the earnings had been something under 4 percent and dividends paid have been just over 2 percent on the stockholders investment. There is general acceptance of the statement that the foreign air mail service of the United States as operated by Pan American is one of the finest, if not the finest, foreign air mail service in the world.

The American Export Airlines has done considerable exploratory work and, in the opinion of the Civil Aeronautics Board, is qualified to operate a trans-Atlantic service temporarily for mail and property and later, when new equipment now on order is delivered, to include passengers, and is found to have sufficient financial resources if supplemented by the proposed mail pay to inaugurate the service. The vice president of American Export Airlines, Mr. Slater, advised the committee that his company had expended \$3,000,000 over a period of 3 years to prepare for this service.

A certificate of convenience and necessity to operate a foreign air line does not obligate the Post Office Department to place mail upon the planes of the carrier. The operation of American Export Airlines is free to start without an appropriation for carriage of the mail. It was stated to the committee, however, by the representatives of both the Pan American Co. and the American Export Airlines that neither company, nor in fact any other foreign air line company, could operate without the mail pay. American Export Airlines must have the financial support of the United States Government or it cannot make a go of it and Pan American to stay in business must have a continuation of the financial support of the United States Government through mail payments.

The financial aspects of the trans-Atlantic route as operated by the present carrier are interesting. Since the inauguration of the service in May 1939, to and including November 30, 1940, the Government has received in postage revenue from this route a total of \$3,056,025.60 and has paid the carrier during this period a total of \$3,072,536.72. This latter figure does not include any payments for the third trip inaugurated in June 1940, nor certain amounts for excess mails transported in April, May, June, and November, 1940, which amounts are in dispute. Making allowance for these expenditures, which are accrued but not determined and paid, it will be noted that the total payments to the carrier in this period will materially exceed the \$3,072,536.72. On the other hand, the revenues for the period are not expressive of the present volume. On the basis of air-mail revenue for the first 5 months of the present fiscal year, July to November, 1940, inclusive, it seems apparent that the total for the fiscal year will approximate \$3,000,000 and be in excess of the amount necessary to pay the carrier. In the fiscal year 1940, the amount received by the Pan American Co. from the Post Office Department constituted one-half of its operating income and the Civil Aeronautics Board has placed data in the hearings (p. 538) indicating that the company had an operating profit in the fiscal year 1940 of \$243,619.08. Data furnished by the President of the Pan American Co. (hearings, p. 629) indicates that since the beginning of the trans-Atlantic operation

through November 1940, the company had net earnings before depreciation of \$784,115.15 and after allowance for depreciation, it showed a loss for the entire period of \$171,448.07. The earnings statement includes some accrued amounts due the carrier from foreign governments for westward transportation of mail which remain unpaid. The matter of these payments by foreign governments constitutes an important income factor in the operation of the company and Congress passed an act last session authorizing the Post Office Department to advance payments to the carrier against these unpaid collections from foreign governments. The amount so earned is \$1,500,000 and \$769,000 has been so advanced. The law provides that if the foreign country does not pay within 12 months, or the account cannot be offset by an international postal settlement in case the United States owes a balance to the particular country involved, the amount shall be deducted from money due the company by the United States.

The payment of \$1,529,736 to an additional carrier would not necessarily increase the air-mail revenue to be collected by the United States. It might have the effect of reducing the mail payments to the present carrier as the Post Office Department would place the mail on the first plane leaving the United States and this could have the effect of reducing payments to the present carrier for present excess mail loads and thus decrease its operating income.

The present carrier has offered to place a fourth trip in the service for \$9,000 per out-bound trip. On the basis of a full 52 trips a year this would cost the Government \$468,000 a year against one trip by an additional carrier at an annual cost of \$1,529,736. At the rates proposed by the present carrier for a fourth, fifth, and sixth trips a week, this additional service could all be had for \$1,326,000 against providing a single additional weekly trip by a new carrier at an annual cost of \$1,529,736.

Based upon statements of the two companies, the committee cannot divide the present mail pay on this route between the companies on the basis of mail carried by each and make a successful operation for either company. The question resolves itself solely whether there should be an additional appropriation of \$1,529,736 and place another carrier in the field with the expectation that in the future, when the world has resumed normal peace pursuits, there will be better and cheaper air operations from the United States to foreign countries that will redound to the benefit of our commerce and trade through the medium of two companies instead of providing a lesser amount and keep the operation all in the hands of one carrier. Air carriers operated by foreign countries are either Government-owned, or heavily subsidized under Government direction. After the restoration of peace, that is the competition that the United States can expect. It will be stiff competition, perhaps ruthless competition, and our problem as a Nation will not be the problem of trying to get competition between our own companies but trying to keep a competent American concern going in foreign territory against air carrier competition of the nations that will avidly be seeking the trade of other nations.

The development of commercial aircraft is in much the same stage as military aircraft. A plane that is modern today is outmoded

tomorrow. The committee has been advised by experts that already land planes for transoceanic service are projected which will make the marvelous flying boats of today soon obsolete and the present remarkably short time for spanning the ocean seem long. These rapid developments are necessary to prepare for the competition of a peace era. They are necessary if American aviation is to live in foreign trade. The rapid writing off of equipment is devastating to profits but it is necessary if we are to remain in the van of commercial aviation in world affairs. The more companies the United States puts into foreign air operation on a heavily subsidized basis the greater toll it will have to pay for maintaining a supremacy or holding its own. Distasteful as monopoly may be under ordinary conditions, the fact remains that our foreign air operation is a monopoly—instituted, grown up, and encouraged by the Government with that knowledge and developed into a successful and useful arm of our foreign trade. Under existing conditions the committee feels a second carrier in the trans-Atlantic trade would not strengthen the position of our foreign air operations and would greatly increase the burden on the Treasury of the United States and is not willing to recommend the additional appropriation on the basis of the facts presented.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations on expenditures or legislative provisions not heretofore enacted are recommended:

On page 30, Coast Guard:

* * * *for the construction and equipment of three large cutters within a total limit of cost of \$11,370,000 and the Secretary of the Treasury is authorized to enter into contracts during the fiscal years 1941 and 1942 for their construction and equipment within such limit;*

COMPARATIVE STATEMENT OF THE AMOUNTS APPROPRIATED FOR THE FISCAL YEAR 1941, THE BUDGET
ESTIMATES FOR THE FISCAL YEAR 1942, AND THE AMOUNTS RECOMMENDED IN THE ACCOMPANYING BILL
FOR 1942

TITLE I—TREASURY DEPARTMENT

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recom- mended in the bill for 1942	Increase (+) or de- crease (-), bill com- pared with 1941 appropriations	Increase (+) or de- crease (-), bill com- pared with Budget estimates
OFFICE OF SECRETARY OF TREASURY					
Secretary's office, salaries-----	\$263, 360	\$299, 360	\$290, 600	+\$26, 640	—\$9, 360
Foreign-owned property-----	-----	1, 800, 000	1, 250, 000	+1, 250, 000	—550, 000
Reduction in interest on farm mortgages----	¹ 28, 167, 000	27, 300, 000	26, 800, 000	—1, 367, 000	—500, 000
Payments to Federal Farm Mortgage Cor- poration-----	¹ 10, 000, 000	9, 600, 000	9, 600, 000	—400, 000	-----
Division of Research and Statistics-----	168, 000	234, 800	218, 000	+50, 000	—16, 800
General Counsel's office, salaries-----	² 146, 600	146, 600	145, 000	—1, 600	—1, 600
Personnel Division-----	134, 600	134, 600	125, 000	—9, 600	—9, 600
Chief Clerk and Superintendent, office of, salaries-----	³ 199, 445	214, 200	211, 500	+12, 055	—2, 700
Contingent expenses-----	⁴ 233, 551	339, 000	333, 000	+99, 449	—6, 000
Treasury Buildings: Operating force, salaries-----	⁵ 354, 124	353, 604	353, 604	-----	-----
Guard force, salaries-----	290, 000	406, 900	406, 900	+116, 900	-----

Division of Printing:					
Salaries-----	66,760	68,740	68,740	+1,980	-----
Printing and binding-----	6 466,000	542,200	538,300	+72,300	-3,900
Stationery-----	7 614,200	706,500	704,800	+90,600	-1,700
Bureau of Accounts:					
Accounts, office of Commissioner of, salaries-----	8 421,420	449,000	442,500	+21,080	-6,500
Disbursement, Division of-----	9 1,395,273	2,213,073	1,774,453	+379,180	-438,620
Contingent expenses, public moneys-----	175,000	200,000	200,000	+25,000	-----
Recoinage of minor coins-----	25,000	20,000	20,000	-5,000	-----
Recoinage of silver coins-----	425,000	425,000	425,000	-----	-----
Relief of indigent of Alaska-----	30,000	30,000	30,000	-----	-----
Refund of moneys erroneously re- ceived and covered-----	35,000	35,000	35,000	-----	-----
Losses in shipment, insurance fund-----	1,000	-----	-----	-1,000	-----
Unclaimed moneys, payment of-----	15,000	15,000	15,000	-----	-----

¹ Carried in First Supplemental Civil Functions Act, 1941.

² Includes \$10,600 in Second Deficiency Act, 1940.

³ Includes \$26,580 in Second Deficiency Act, 1940, and excludes \$5,580 transferred to U. S. Official Mail and Messenger Service.

⁴ Includes \$7,500 in First Supplemental Civil Functions Act, 1941, and excludes \$949 transferred to U. S. Official Mail and Messenger Service.

⁵ Includes \$45,984 in Second Deficiency Act, 1940.

⁶ Includes \$6,000 in First Supplemental Civil Functions Act, 1941.

⁷ Includes \$39,000 in Second Deficiency Act, 1940 and \$1,500 in First Supplemental Civil Functions Act, 1941.

⁸ Includes \$35,420 in Second Deficiency Act, 1940.

⁹ Excludes \$1,527 transferred to U. S. Official Mail and Messenger Service.

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—), bill compared with 1941 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
OFFICE OF SECRETARY OF TREASURY—con.					
Public Debt Service, salaries-----	\$2, 375, 000	\$2, 374, 450	\$2, 374, 450	—\$550	-----
Distinctive paper for United States securities-----	800, 000	1, 114, 000	1, 114, 000	+ 314, 000	-----
Total, Office of Secretary of the Treasury, including special items-----	46, 801, 333	49, 022, 027	47, 475, 247	+ 673, 914	—\$1, 546, 780
CUSTOMS SERVICE					
Salaries and expenses-----	20, 900, 000	21, 086, 280	21, 050, 000	+ 150, 000	—36, 280
Refunds, draw-backs, etc-----	14, 200, 000	19, 000, 000	19, 000, 000	+ 4, 800, 000	-----
Total, Customs Service-----	35, 100, 000	40, 086, 280	40, 050, 000	+ 4, 950, 000	—36, 280
OFFICE OF TREASURER OF UNITED STATES					
Salaries-----	1, 248, 920	1, 781, 400	1, 620, 000	+ 371, 080	—161, 400
Federal Reserve and national currency, salaries for redemption of (reimbursable)-----	58, 000	63, 760	58, 000	-----	—5, 760
Total, Treasurer's office-----	1, 306, 920	1, 845, 160	1, 678, 000	+ 371, 080	—167, 160

OFFICE OF COMPTROLLER OF CURRENCY				
Salaries-----	245, 500	244, 180	244, 180	-1, 320
INTERNAL REVENUE BUREAU				
Expenses of assessing and collecting taxes-----	10 66, 414, 910	71, 512, 000	71, 512, 000	+5, 097, 090
Refunding processing taxes, salaries, and expenses-----	2, 800, 000	1, 178, 000	1, 100, 000	-1, 700, 000
Refunding internal-revenue taxes-----	42, 000, 000	63, 000, 000	63, 000, 000	+21, 000, 000
Additional income tax on railroads in Alaska-----	11, 900	6, 350	6, 350	-5, 550
Total. Bureau of Internal Revenue--	111, 226, 810	135, 696, 350	135, 618, 350	+24, 391, 540
UNITED STATES PROCESSING TAX BOARD OF REVIEW				
Salaries and expenses-----	* 145, 000	125, 000	110, 000	-35, 000
FEDERAL ALCOHOL ADMINISTRATION				
Salaries and expenses-----	(11)	(11)	(11)	
BUREAU OF NARCOTICS				
Salaries and expenses-----	12 1, 303, 280	1, 278, 475	1, 278, 475	-24, 805

¹⁰ Includes \$5,000,000 in Second Deficiency Act, 1940, \$850,000 in First Supplemental Civil Functions Act, 1941, and \$415,000 transferred from Federal Alcohol Administration; and excludes \$6,950 transferred to U. S. Official Mail and Messenger Service.

¹¹ Transferred to Bureau of Internal Revenue.

¹² Excludes \$1,320 transferred to U. S. Official Mail and Messenger Service.

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—), bill compared with 1941 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
COAST GUARD					
Commandant's office, salaries-----	¹³ \$735, 260	\$765, 000	\$765, 000	+ \$29, 740	-----
Pay and allowances-----	¹⁴ 26, 200, 335	32, 780, 000	32, 680, 000	+ 6, 479, 665	— \$100, 000
General expenses, Coast Guard-----	¹⁵ 20, 501, 040	13, 639, 150	¹⁶ 13, 974, 150	— 6, 526, 890	+ 335, 000
Civilian employees, Coast Guard-----	4, 896, 440	3, 588, 000	3, 500, 000	— 1, 396, 440	— 88, 000
Additional airplanes-----	500, 000	663, 000	663, 000	+ 163, 000	-----
Vessels and shore facilities, construction-----	¹⁷ 9, 460, 000	¹⁸ 9, 726, 000	¹⁹ 8, 111, 000	— 1, 349, 000	— 1, 615, 000
Special projects, vessels, and aids to navigation-----	1, 100, 000	3, 220, 000	²⁰ 1, 500, 000	+ 400, 000	— 1, 720, 000
Retired pay, former members, Lighthouse Service-----	885, 000	1, 000, 000	1, 000, 000	+ 115, 000	-----
Total, Coast Guard-----	64, 278, 075	65, 381, 150	62, 193, 150	— 2, 084, 925	— 3, 188, 000
BUREAU OF ENGRAVING AND PRINTING					
Salaries and expenses-----	²¹ 8, 448, 224	10, 000, 000	10, 000, 000	+ 1, 551, 776	-----

SECRET SERVICE					
Departmental salaries-----	65, 000	69, 543	69, 543	+4, 543	-----
Suppressing counterfeiting and other crimes-----	²² 882, 500	1, 009, 000	1, 009, 000	+126, 500	-----
White House Police, salaries and expenses-----	²³ 203, 900	202, 400	202, 400	-1, 500	-----
Total, Secret Service-----	1, 151, 400	1, 280, 943	1, 280, 943	+129, 543	-----
BUREAU OF THE MINT					
Director's Office, salaries-----	²⁴ 115, 880	119, 540	119, 540	+3, 660	-----
Freight on bullion and coin-----	215, 000	187, 500	187, 500	-27, 500	-----
Contingent expenses and examination of mints-----	²⁵ 17, 500	14, 300	14, 300	-3, 200	-----
Operation of mints and assay offices-----	²⁶ 3, 607, 540	3, 191, 500	3, 191, 500	-416, 040	-----

¹³ Includes \$50,000 in First Supplemental National Defense Act, 1941, and \$66,000 in First Supplemental Civil Functions Act, 1941.
¹⁴ Includes \$2,356,000 in First Supplemental National Defense Act, 1941, and \$1,640,000 in First Supplemental Civil Functions Act, 1941.

¹⁵ Includes \$8,361,040 in First Supplemental National Defense Act, 1941, and \$880,000 in First Supplemental Civil Functions Act, 1941.

¹⁶ Includes \$335,000 transferred from "Special projects, vessels."

¹⁷ Carried in First Supplemental Civil Functions Appropriation Act, 1941.

¹⁸ Plus contract authorization of \$6,370,000.

¹⁹ Includes \$1,385,000 transferred from "Special projects, vessels."

²⁰ Excludes \$335,000 transferred to "General Expenses" and \$1,385,000 transferred to "Construction of vessels and shore stations."

²¹ Excludes \$1,776 transferred to U. S. Official Mail and Messenger Service.

²² Includes \$27,000 in Second Deficiency Act, 1940.

²³ Includes \$52,500 in Second Deficiency Act, 1940.

²⁴ Includes \$7,380 in First Supplemental Civil Functions Act, 1941.

²⁵ Includes \$3,000 in First Supplemental Civil Functions Act, 1941.

²⁶ Includes \$1,325,000 in First Supplemental Civil Functions Act, 1941.

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—), bill compared with 1941 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
BUREAU OF THE MINT—continued					
Presentation of medals-----	²⁷ \$500			—\$500	
Total, mints and assay offices-----	3, 956, 420	\$3, 512, 840	\$3, 512, 840	—443, 580	
PROCUREMENT DIVISION, SUPPLY BRANCH					
Salaries and expenses-----	²⁸ 687, 173	889, 000	889, 000	+201, 827	
Strategic and critical minerals-----	²⁹ 60, 000, 000			—60, 000, 000	
Total, Procurement Division, Branch of Supply-----	60, 687, 173	889, 000	889, 000	—59, 798, 173	
Total, Treasury Department, title I, regular annual appropriations--	334, 650, 135	³⁰ 309, 361, 405	³⁰ 304, 330, 185	—30, 319, 950	—\$5, 031, 220

²⁷ Carried in Second Deficiency Act, 1940.

²⁸ Excludes \$1,800 transferred to U. S. Official Mail and Messenger Service.

²⁹ Includes \$47,500,000 in First Supplemental National Defense Act, 1941.

³⁰ And contract authorization of \$6,370,000.

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TITLE II.—POST OFFICE DEPARTMENT

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—), bill compared with 1941 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
POST OFFICE DEPARTMENT, WASHINGTON, D. C.					
Salaries					
Postmaster General, office of-----	³¹ \$226, 904	\$226, 904	\$226, 904		
First Assistant Postmaster General, office of-----	391, 420	391, 420	391, 420		
Second Assistant Postmaster General, office of-----	587, 600	587, 600	587, 600		
Third Assistant Postmaster General, office of-----	798, 560	798, 560	791, 060	—\$7, 500	—\$7, 500
Fourth Assistant Postmaster General, office of-----	474, 240	474, 240	474, 240		
Solicitor's office-----	³² 115, 500	135, 340	115, 500		—19, 840
Chief inspector's office-----	237, 000	244, 410	240, 910	+3, 910	—3, 500
Purchasing agent's office-----	47, 240	47, 240	47, 240		

³¹ Excludes \$1,440 transferred to "U. S. Official Mail and Messenger Service" pursuant to Reorganization Plan IV.

³² Includes \$4,200 in First Supplemental Civil Functions Appropriation Act, 1941.

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TABLE II.—POST OFFICE DEPARTMENT—Continued

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—), bill compared with 1941 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
POST OFFICE DEPARTMENT, WASHINGTON, D. C.—continued					
<i>Salaries—Continued</i>					
Bureau of Accounts	\$114, 120	\$114, 120	\$114, 120		
Total salaries	2, 992, 584	3, 019, 834	2, 988, 994	—\$3, 590	—\$30, 840
<i>Contingent</i>					
Miscellaneous expenses, Washington	33 84, 238	90, 796	89, 796	+5, 558	—1, 000
Printing and binding	850, 000	810, 000	810, 000	—40, 000	
Total, contingent expenses, Washington	934, 238	900, 796	899, 796	—34, 442	—1, 000
U. S. Official Mail and Messenger Service	34 155, 306	(35)		—155, 306	
Grand total, Post Office Department, Washington, D. C.	4, 082, 128	3, 920, 630	3, 888, 790	—193, 338	—31, 840
POSTAL SERVICE					
<i>Office of Postmaster General</i>					
Travel and miscellaneous expenses	3, 000	3, 000	3, 000		

Personal property claims-----	45, 000	45, 000	45, 000	-----	-----
Adjusted losses and contingencies-----	90, 000	70, 000	60, 000	-30, 000	-10, 000
Inspectors:					
Salaries of-----	2, 349, 500	2, 470, 700	2, 405, 700	+56, 200	-65, 000
Traveling and miscellaneous expenses of-----	637, 000	674, 000	652, 350	+15, 350	-21, 650
Clerks at headquarters-----	480, 000	483, 975	483, 975	+3, 975	-----
Rewards, payment of-----	55, 000	55, 000	55, 000	-----	-----
Total, office of Postmaster General-----	3, 659, 500	3, 801, 675	3, 705, 025	+45, 525	-96, 650
<i>First Assistant Postmaster General</i>					
Postmasters-----	49, 650, 000	50, 480, 000	50, 200, 000	+550, 000	-280, 000
Assistant postmasters-----	7, 142, 000	7, 400, 000	7, 230, 000	+88, 000	-170, 000
Clerks and employees at first- and second- class post offices-----	205, 900, 000	216, 000, 000	216, 000, 000	+10, 100, 000	-----
Clerks in charge of contract stations-----	1, 600, 000	1, 680, 000	1, 640, 000	+40, 000	-40, 000
Separating mails at third- and fourth-class post offices-----	410, 000	425, 000	415, 000	+5, 000	-10, 000
Unusual conditions at post offices-----	75, 000	85, 000	85, 000	+10, 000	-----
Clerical services, third-class offices-----	8, 000, 000	8, 230, 000	8, 050, 000	+50, 000	-180, 000

³³ Excludes \$150 transferred to "U. S. Official Mail and Messenger Service" pursuant to Reorganization Plan IV.

³⁴ Includes \$1,440 transferred from Postmaster General's office, \$150 from departmental contingent expenses, and \$153,716 transferred from other departments and agencies pursuant to Reorganization Plan IV.

³⁵ Included for 1942 in postal estimates for "City delivery carriers" and "Vehicle service."

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TITLE II.—POST OFFICE DEPARTMENT—Continued

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—), bill compared with 1941 appropriations	Increase (+) or decrease (—), bill compared with Budget estimates
POSTAL SERVICE—continued					
<i>First Assistant Postmaster General—Con.</i>					
Miscellaneous items, first- and second-class post offices-----	\$1, 750, 000	\$1, 850, 000	\$1, 825, 000	+ \$75, 000	— \$25, 000
Village delivery service-----	1, 675, 000	1, 675, 000	1, 675, 000	-----	-----
Detroit River postal service-----	11, 460	11, 960	11, 960	+ 500	-----
Carfare and bicycle allowance, including special-delivery carfare-----	1, 400, 000	1, 475, 000	1, 450, 000	+ 50, 000	— 25, 000
Letter carriers, City Delivery Service-----	143, 480, 000	151, 500, 000	151, 500, 000	+ 8, 020, 000	-----
Fees to special-delivery messengers-----	8, 700, 000	9, 250, 000	9, 250, 000	+ 550, 000	-----
Domestic Air Mail Service-----	(36)	(36)	(36)	-----	-----
Foreign air-mail transportation-----	(36)	(36)	(36)	-----	-----
Total, office of First Assistant-----	429, 793, 460	450, 061, 960	449, 331, 960	+ 19, 538, 500	— 730, 000
<i>Second Assistant Postmaster General</i>					
Inland transportation:					
Star-route service (except Alaska)-----	11, 150, 000	11, 400, 000	11, 250, 000	+ 100, 000	— 150, 000

Star routes in Alaska-----	150,000	175,000	170,060	+20,000	-5,000
Steamboat or other power-boat routes	1,325,500	1,420,000	1,397,750	+72,250	-22,250
Railroad routes and mail-messenger service-----	107,000,000	112,300,000	112,000,000	+5,000,000	-300,000
Railway Mail Service:					
Salaries-----	56,283,000	57,460,000	57,400,000	+1,117,000	-60,000
Travel allowance to railway postal clerks-----	3,250,000	3,275,000	3,275,000	+25,000	-----
Expenses, superintendents, chief clerks, etc-----	60,000	60,000	55,000	-5,000	-5,000
Rent, light, fuel, etc-----	450,000	450,000	440,000	-10,000	-10,000
By electric and cable cars-----	230,000	220,000	200,000	-30,000	-20,000
Foreign mail transportation (excluding foreign air mail)-----	2,670,000	2,667,800	2,300,000	-370,000	-367,800
Foreign countries, balances due-----	1,200,000	1,500,000	1,500,000	+300,000	-----
Indemnities for loss or injury of international mail-----	10,000	10,000	8,000	-2,000	-2,000
Rural Delivery Service-----	91,840,000	92,100,000	92,100,000	+260,000	-----
Foreign air-mail transportation-----	³⁷ 16,247,149	16,707,567	15,477,831	-769,318	-1,229,736
Domestic air-mail transportation-----	³⁸ 20,440,199	21,280,327	21,280,327	+840,128	-----
Total, office of Second Assistant-----	312,305,848	321,025,694	318,853,908	+6,548,060	-2,171,786

³⁶ Transferred to Second Assistant's Bureau.³⁷ Includes \$173,000 in Second Deficiency Act.³⁸ Includes \$625,000 in Second Deficiency Act and \$485,199 in First Supplemental Civil Functions Appropriation Act.

Comparative statement of the amounts appropriated for the fiscal year 1941, the Budget estimates for the fiscal year 1942, and the amounts recommended in the accompanying bill for 1942—Continued

TITLE II.—POST OFFICE DEPARTMENT—Continued

Object	Appropriations, 1941	Budget estimates, 1942	Amounts recommended in the bill for 1942	Increase (+) or decrease (—) bill compared with 1941 appropriations	Increase (+) or decrease (—) bill compared with Budget estimates
POSTAL SERVICE—continued					
<i>Third Assistant Postmaster General</i>					
Stamps, stamped envelopes, newspaper wrappers, and postal cards.....	\$4, 500, 000	\$5, 165, 000	\$5, 000, 000	+\$500, 000	—\$165, 000
Indemnity for loss of registered mail, etc.....	522, 500	510, 000	500, 000	—22, 500	—10, 000
Unpaid money orders.....	190, 000	190, 000	190, 000	-----	-----
Total, office of Third Assistant.....	5, 212, 500	5, 865, 000	5, 690, 000	+ 477, 500	—175, 000
<i>Fourth Assistant Postmaster General</i>					
Stationery, equipment, and supplies.....	3, 150, 000	3, 250, 000	3, 225, 000	+75, 000	—25, 000
Equipment shops.....	1, 100, 000	1, 100, 000	1, 075, 000	—25, 000	—25, 000
Rent, light, and fuel.....	9, 975, 000	9, 975, 000	9, 900, 000	—75, 000	—75, 000
Pneumatic-tube service (New York).....	542, 741	540, 628	540, 628	—2, 113	-----
Pneumatic-tube service (Boston).....	24, 000	24, 000	24, 000	-----	-----
Vehicle service.....	15, 500, 000	16, 023, 000	15, 900, 000	+ 400, 000	—123, 000
Transportation of equipment.....	350, 000	350, 000	330, 000	—20, 000	—20, 000

Public buildings, maintenance and operation:					
Operating force-----	23, 720, 000	23, 800, 000	23, 500, 000	-220, 000 ³⁹	-300, 000
Operating supplies-----	5, 400, 000	5, 600, 000	5, 500, 000	+100, 000	-100, 000
Furniture, etc-----	675, 000	675, 000	600, 000	-75, 000	-75, 000
Total, office of Fourth Assistant-----	60, 436, 741	61, 337, 628	60, 594, 628	+157, 887	-743, 000
Total, Postal Service-----	³⁹ 811, 408, 049	842, 091, 957	838, 175, 521	+26, 767, 472	-3, 916, 436
Total, Post Office Department-----	⁴⁰ 4, 082, 128	3, 920, 630	3, 888, 790	-193, 338	-31, 840
Total, Title II, Post Office Department-----	⁴¹ 815, 490, 177	846, 012, 587	842, 064, 311	+26, 574, 134	-3, 948, 276
Grand total, Titles I and II, Treasury and Post Office Departments, annual appropriations-----	1, 150, 140, 312	1, 155, 373, 992	1, 146, 394, 496	-3, 745, 816	-8, 979, 496

³⁹ Includes \$485,199 in First Supplemental Civil Functions Appropriation Act, 1941, and \$798,000 in Second Deficiency Act, 1940.
⁴⁰ Includes \$4,200 in First Civil Functions Appropriation Act, 1941, and \$153,716 transferred from other departments account "U. S. Official Mail and Messenger Service," pursuant to Reorganization Plan IV.

⁴¹ Includes \$489,399 in First Civil Functions Appropriation Act, 1941, \$798,000 in Second Deficiency Act, 1940, and \$153,716 transferred from other departments account "U. S. Official Mail and Messenger Service" pursuant to Reorganization Plan IV.

PERMANENT APPROPRIATIONS, TREASURY DEPARTMENT

Object	Appropriation, 1941	Budget estimates, 1942	Increase (+) or decrease (-)
General and special funds:			
Interest on deposits of public money of Philippine Islands-----	\$1, 900, 000	\$1, 900, 000	-----
Pershing Memorial Hall-----	5, 042	5, 042	-----
Expenses of loans-----	3, 997, 115	4, 292, 000	+ \$294, 885
Redemption of bonds from repayment of P. W. A. loans-----	1, 500, 000	1, 500, 000	-----
Redemption of national defense series obligations-----	593, 800, 000	801, 100, 000	+ 207, 300, 000
Sinking fund-----	586, 000, 000	588, 000, 000	+ 2, 000, 000
Interest on public debt-----	1, 100, 000, 000	1, 225, 000, 000	+ 125, 000, 000
Miscellaneous gifts, forfeitures, etc-----	15, 000	15, 000	-----
Obligations retired from Federal intermediate credit bank franchise tax receipts-----	400, 000	350, 000	- 50, 000
Contingent expenses, national currency (reimbursable)-----	2, 270	1, 470	- 800
Total, general and special funds-----	2, 287, 619, 427	2, 622, 163, 512	+ 334, 544, 085
Trust funds:			
Federal Old Age and Survivors Insurance Trust Fund-----	696, 439, 125	766, 867, 450	+ 70, 428, 325
Unemployment trust fund-----	1, 015, 178, 400	1, 109, 715, 600	+ 94, 537, 200
Proceeds of Government obligations held for rightful owners-----	20	20	-----

Proceeds of Government bonds, interest coupons, etc., found-----	150	-----
Philippine trust fund (customs duties)-----	15, 000	-----
Philippine trust fund (Customs Service)-----	10, 000	+ 10, 000
Puerto Rico trust fund (internal revenue)-----	2, 900	-----
Philippine trust fund (internal revenue)-----	627, 000	-----
Philippine trust fund, coconut oil tax (internal revenue)-----	16, 596, 000	-----
Expenses, Prohibition Act, Puerto Rico and Virgin Islands-----	29, 775	-----
Total, trust funds-----	1, 893, 863, 895	+ 164, 975, 525
Total, permanent appropriations, Treasury Department-----	4, 016, 507, 797	+ 499, 519, 610

○

Union Calendar No. 32

77TH CONGRESS
1ST SESSION

H. R. 3205

[Report No. 60]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1941

Mr. LUDLOW, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TREASURY DEPARTMENT**

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1942,
7 namely:

OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, Under Secretary of the Treasury, Fiscal Assistant Secretary of the Treasury two Assistant Secretaries of the Treasury, and other personal services in the District of Columbia, including the temporary employment of experts, \$290,000: *Provided*, That in expending appropriations or portions of appropriations contained in this Act for the payment of personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretaries of the Treasury and the Assistant Postmasters General, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such Act, as amended, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year, and then only to the next higher rate: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, (2) to require the reduction in salary of any person whose

1 compensation was fixed, as of July 1, 1924, in accordance
2 with the rules of section 6 of such Act, (3) to require the
3 reduction in salary of any person who is transferred from one
4 position to another position in the same or different grade in
5 the same or a different bureau, office, or other appropriation
6 unit, (4) to prevent the payment of a salary under any grade
7 at a rate higher than the maximum rate of the grade when
8 such higher rate is permitted by the Classification Act of
9 1923 as amended, and is specifically authorized by other law,
10 or (5) to reduce the compensation of any person in a grade
11 in which only one position is allocated.

12 Salaries and Expenses, Foreign Owned Property Control:
13 For expenditure under the direction of the Secretary of the
14 Treasury for any purpose in connection with the carrying out
15 of the provisions of section 5 (b) of the Act of October 6,
16 1917 (40 Stat. 411, 415), as amended, and any proclama-
17 tions, orders, or regulations that have been or may be issued
18 thereunder, including personal services (without regard to
19 classification and civil-service laws), printing, and all other
20 necessary expenses incurred in carrying out instructions
21 issued by the Secretary of the Treasury pursuant to section
22 5 (b) of the Act of October 6, 1917, as amended, or procla-
23 mations, orders, or regulations issued thereunder, including
24 reimbursement of any other appropriation or other funds of
25 the United States or any agency, instrumentality, territory,

1 or possession thereof, including the Philippine Islands, and
2 reimbursement of any Federal Reserve bank for printing and
3 other expenditures, \$1,250,000.

4 Payments to Federal land banks on account of reductions
5 in interest rate on mortgages: To enable the Secretary of
6 the Treasury to pay each Federal land bank such amount as
7 the Land Bank Commissioner certifies to the Secretary of
8 the Treasury is equal to the amount by which interest pay-
9 ments on mortgages held by such land bank have been re-
10 duced during the fiscal year 1942, and prior thereto, in
11 accordance with the provisions of paragraph "Twelfth" of
12 section 12 of the Federal Farm Loan Act (12 U. S. C.
13 771), as amended, \$26,800,000.

14 Payments to the Federal Farm Mortgage Corporation on
15 account of reductions in interest rate on mortgages: To enable
16 the Secretary of the Treasury to pay to the Federal Farm
17 Mortgage Corporation such amount as the Governor of the
18 Farm Credit Administration certifies to the Secretary of the
19 Treasury is equal to the amount by which interest payments
20 on mortgages held by such Corporation have been reduced
21 during the fiscal year 1942, and prior thereto, in accordance
22 with the provisions of section 32 of the Emergency Farm
23 Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C.
24 1016), as amended, such payments to be made quarterly,
25 beginning as soon as practicable after October 1, 1941,
26 \$9,600,000.

1 DIVISION OF RESEARCH AND STATISTICS

2 Salaries: For personal services in the District of
3 Columbia, \$218,000.

4 OFFICE OF GENERAL COUNSEL

5 Salaries: For the General Counsel and other personal
6 services in the District of Columbia, \$145,000.

7 DIVISION OF PERSONNEL

8 Salaries: For the Chief of the Division, and other per-
9 sonal services in the District of Columbia, \$125,000.

10 OFFICE OF CHIEF CLERK

11 Salaries: For the Chief Clerk and other personal services
12 in the District of Columbia, \$211,500.

13 MISCELLANEOUS AND CONTINGENT EXPENSES, TREASURY

14 DEPARTMENT

15 For miscellaneous and contingent expenses of the Office
16 of the Secretary and the bureaus and offices of the Depart-
17 ment, including operating expenses of the Treasury, Treasury
18 Annex, Auditors', and Liberty Loan Buildings; newspaper
19 clippings, financial journals, purchase (including exchange)
20 of books of reference and lawbooks, technical and scientific
21 books, newspapers, and periodicals, expenses incurred in
22 completing imperfect series, library cards, supplies, and all
23 other necessary expenses connected with the library; not
24 exceeding \$8,000 for traveling expenses, including the pay-
25 ment of actual transportation and subsistence expenses to

1 any person whom the Secretary of the Treasury may from
2 time to time invite to the city of Washington or elsewhere
3 for conference and advisory purposes in furthering the work
4 of the Department; freight, expressage, telegraph and tele-
5 phone service; purchase and exchange of motortrucks, and
6 maintenance and repair of motortrucks and three passenger
7 automobiles (one for the Secretary of the Treasury and two
8 for general use of the Department), all to be used for official
9 purposes only; file holders and cases; fuel, oils, grease, and
10 heating supplies and equipment; gas and electricity for
11 lighting, heating, and power purposes, including material,
12 fixtures, and equipment therefor; purchase, exchange, and
13 repair of typewriters and labor-saving machines and equip-
14 ment and supplies for same; floor covering and repairs
15 thereto, furniture and office equipment, including supplies
16 therefor and repairs thereto; awnings, window shades, and
17 fixtures; cleaning supplies and equipment; drafting equip-
18 ment; flags; hand trucks, ladders; miscellaneous hardware;
19 streetcar fares not exceeding \$750; thermometers; lavatory
20 equipment and supplies; tools and sharpening same; laundry
21 service; laboratory supplies and equipment, removal of rub-
22 bish; postage; and other absolutely necessary articles, sup-
23 plies, and equipment not otherwise provided for; \$333,000:
24 *Provided*, That the appropriations for the Bureau of the
25 Public Debt, Internal Revenue Service, United States Pro-

cessing Tax Board of Review, Procurement Division, and Division of Disbursement for the fiscal year 1942 are hereby made available for the payment of items otherwise properly chargeable to this appropriation, the provisions of section 6, Act of August 23, 1912 (31 U. S. C. 669), to the contrary notwithstanding.

7

CUSTODY OF TREASURY BUILDINGS

Salaries of operating force: For the Superintendent of Treasury Buildings and for other personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, and the Auditors' Building, \$353,604.

Salaries and expenses, guard force: For salaries and expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, including not to exceed \$9,875 for purchase, repair, and cleaning of uniforms, and for the purchase of arms and ammunition and miscellaneous equipment, \$406,900: *Provided*, That not to exceed \$80,000 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing," may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau:

1 *Provided further*, That the Secretary of the Treasury may
2 detail an agent of the Secret Service to supervise such force.

3 DIVISION OF PRINTING

4 Salaries: For the Chief, Division of Printing, and other
5 personal services in the District of Columbia, \$68,740.

6 Printing and binding: For printing and binding for the
7 Treasury Department, including all of its bureaus, offices,
8 institutions, and services located in Washington, District of
9 Columbia, and elsewhere, except the Bureau of Internal
10 Revenue, and including materials for the use of the book-
11 binder, located in the Treasury Department, but not including
12 work done at the New York Customhouse bindery authorized
13 by the Joint Committee on Printing in accordance with the
14 Act of March 1, 1919 (44 U. S. C. 111), and for the cost
15 of transportation to field offices of printed and bound material,
16 including cost of necessary packing boxes and packing
17 materials, \$538,300.

18 Stationery: For stationery for the Treasury Department
19 and its several bureaus and offices, and field services thereof,
20 including tags, labels, and index cards, printed in the course
21 of manufacturing, packing boxes and other materials neces-
22 sary for shipping stationery supplies, and cost of transporta-
23 tion of stationery supplies purchased free on board point of
24 shipment and of such supplies shipped from Washington to
25 field offices, \$704,800.

BUREAU OF ACCOUNTS

1

2 Salaries: For Commissioner of Accounts and other per-
3 sonal services in the District of Columbia, including the
4 Division of Bookkeeping and Warrants, \$442,500.

5 Division of Disbursement, salaries and expenses: For
6 personal services in the District of Columbia and in the field,
7 stationery, travel, rental of equipment, and all other necessary
8 miscellaneous and contingent expenses, \$1,774,453: *Pro-*
9 *vided*, That with the approval of the Director of the Bureau
10 of the Budget there may be transferred to this appropriation
11 from funds available for the Agricultural Adjustment Admin-
12 istration, Federal Housing Administration, United States
13 Housing Authority, Federal Surplus Commodities Corpora-
14 tion, Federal Prison Industries, Railroad Retirement Board,
15 United States Maritime Commission, the Federal Crop Insur-
16 ance Corporation, the Commodity Credit Corporation, the
17 Surplus Marketing Administration, and the National Youth
18 Administration, such sums as may be necessary to cover the
19 expense incurred in performing the function of disbursement
20 therefor.

21 Contingent expenses, public moneys: For contingent
22 expenses under the requirements of section 3653 of the
23 Revised Statutes (31 U. S. C. 545), for the collection, safe-
24 keeping, transfer, and disbursement of the public money,
25 transportation of notes, bonds, and other securities of the

1 United States, transportation of gold coin, gold bullion, and
2 gold certificates transferred to Federal Reserve banks and
3 branches, United States mints and assay offices, and the
4 Treasury, after March 9, 1933, actual expenses of examiners
5 detailed to examine the books, accounts, and money on hand
6 at the several depositories, including national banks acting
7 as depositories under the requirements of section 3649 of the
8 Revised Statutes (31 U. S. C. 548), also including examina-
9 tions of cash accounts at mints, \$200,000.

10 Recoinage of minor coins: To enable the Secretary of
11 the Treasury to continue the recoinage of worn and uncur-
12 rent minor coins of the United States now in the Treasury
13 or hereafter received, and to reimburse the Treasurer of the
14 United States for the difference between the nominal or face
15 value of such coins and the amount the same will produce in
16 new coins, \$20,000.

17 Recoinage of silver coins: To enable the Secretary of the
18 Treasury to continue the recoinage of worn and uncurrent
19 subsidiary silver coins of the United States now in the
20 Treasury or hereafter received, and to reimburse the Treas-
21 urer of the United States for the difference between the
22 nominal or face value of such coins and the amount the same
23 will produce in new coins, \$425,000.

24 Relief of the indigent, Alaska: For the payment to the
25 United States district judges in Alaska but not to exceed

1 10 per centum of the receipts from licenses collected outside
2 of incorporated towns in Alaska, to be expended for the
3 relief of persons in Alaska who are indigent and incapac-
4 itated through nonage, old age, sickness, or accident,
5 \$30,000.

6 Refund of moneys erroneously received and covered:
7 To enable the Secretary of the Treasury to meet any expendi-
8 tures of the character formerly chargeable to the appropria-
9 tion accounts abolished under section 18 of the Permanent
10 Appropriation Repeal Act of 1934, approved June 26, 1934,
11 and any other collections erroneously received and covered
12 which are not properly chargeable to any other appropriation,
13 \$35,000.

14 Payment of unclaimed moneys: To enable the Secretary
15 of the Treasury to meet any expenditures of the character
16 formerly chargeable to the appropriation accounts abolished
17 under section 17 of the Permanent Appropriation Repeal
18 Act of 1934, approved June 26, 1934, payable from the
19 funds held by the United States in the trust fund receipt
20 account "Unclaimed moneys of individuals whose where-
21 abouts are unknown", \$15,000.

22 BUREAU OF THE PUBLIC DEBT

23 Salaries and expenses: For necessary expenses con-
24 nected with the administration of any public-debt issues
25 and United States paper-currency issues with which the

1 Secretary of the Treasury is charged, including the purchase
2 of lawbooks, directories, books of reference, pamphlets,
3 periodicals, and newspapers, and the maintenance, opera-
4 tion, and repair of a motor-propelled bus or station wagon
5 for use of the Destruction Committee, and including the
6 Commissioner of the Public Debt and other personal services
7 in the District of Columbia, \$2,374,450: *Provided*, That the
8 amount to be expended for personal services in the District
9 of Columbia shall not exceed \$2,345,500.

10 Distinctive paper for United States securities: For dis-
11 tinctive paper for United States currency, including transpor-
12 tation of paper, traveling, mill, and other necessary expenses,
13 and salaries of employees and allowance, in lieu of expenses,
14 of officer or officers detailed from the Treasury Department,
15 not exceeding \$50 per month each when actually on duty; in
16 all, \$1,114,000: *Provided*, That in order to foster competition
17 in the manufacture of distinctive paper for United States se-
18 curities, the Secretary of the Treasury is authorized, in his dis-
19 cretion, to split the award for such paper for the fiscal year
20 1942 between the two bidders whose prices per pound are
21 the lowest received after advertisement.

22 Expenses of loans: The indefinite appropriation "Ex-
23 penses of loans, Act of September 24, 1917, as amended
24 and extended" (31 U. S. C. 760, 761), shall not be used
25 during the fiscal year 1942 to supplement the appropriation

1 herein made for the current work of the Bureau of the Public
 2 Debt, and the amount obligated under such indefinite appro-
 3 priation during such fiscal year shall not exceed \$4,292,000:
 4 *Provided*, That the proviso in the Act of June 16, 1921 (31
 5 U. S. C. 761), limiting the availability of this appropriation
 6 for expenses of operations on account of any public debt issue
 7 to the close of the fiscal year next following the fiscal year in
 8 which such issue was made, shall not apply to savings bond
 9 transactions handled by the Federal Reserve banks for
 10 account of the Secretary of the Treasury.

11 OFFICE OF TREASURER OF THE UNITED STATES

12 Salaries: For Treasurer of the United States, Assistant
 13 Treasurer, and for other personal services in the District of
 14 Columbia, \$1,620,000.

15 Salaries (Reimbursable) : For personal services in the
 16 District of Columbia, in redeeming Federal Reserve notes,
 17 \$58,000, to be reimbursed by the Federal Reserve banks.

18 With the approval of the Director of the Bureau of the
 19 Budget, there may be transferred sums (not exceeding a total
 20 of \$700,000) to the appropriations, "Salaries, Office of
 21 Treasurer of the United States, 1942", "Contingent ex-
 22 penses, Treasury Department, 1942", "Printing and binding,
 23 Treasury Department, 1942", and "Stationery, Treasury
 24 Department, 1942", from funds available for the Agricul-
 25 tural Adjustment Administration, Home Owners' Loan Cor-

1 poration, Farm Credit Administration, Tennessee Valley
 2 Authority, Federal Farm Mortgage Corporation, Recon-
 3 struction Finance Corporation, Federal land banks and other
 4 banks and corporations under the supervision of the Farm
 5 Credit Administration, Railroad Retirement Board, Soil
 6 Conservation Service, including Soil Conservation and
 7 Domestic Allotment, National Youth Administration,
 8 Federal Housing Administration, United States Housing
 9 Authority, Civilian Conservation Corps, Public Works Ad-
 10 ministration, Commodity Credit Corporation, Rural Electrifi-
 11 cation Administration, and corporations and banks under the
 12 Federal Home Loan Bank Board to cover the expenses
 13 incurred on account of such respective activities in clearing
 14 of checks, servicing of bonds, handling of collections, and
 15 rendering of accounts therefor.

16 BUREAU OF CUSTOMS

17 Salaries and expenses: For collecting the revenue from
 18 customs, for the detection and prevention of frauds upon the
 19 customs revenue, and not to exceed \$100,000 for the secur-
 20 ing of evidence of violations of the customs laws; for expenses
 21 of transportation and transfer of customs receipts from points
 22 where there are no Government depositories; not to exceed
 23 \$84,500 for allowances for living quarters, including heat,
 24 fuel, and light, as authorized by the Act approved June 26,
 25 1930 (5 U. S. C. 118a), but not to exceed \$1,700 for any

1 one person; not to exceed \$500 for subscriptions to news-
2 papers; not to exceed \$2,000 for improving, repairing, main-
3 taining, or preserving buildings, inspection stations, office
4 quarters, including living quarters for officers, sheds, and
5 sites along the Canadian and Mexican borders acquired under
6 authority of the Act of June 26, 1930 (19 U. S. C. 68) :
7 and including the purchase (not to exceed \$87,500),
8 exchange, maintenance, repair, and operation of motor-pro-
9 pelled passenger-carrying vehicles when necessary for official
10 use in field work ; \$21,050,000, of which such amount as may
11 be necessary shall be available for the payment of extra com-
12 pensation earned by customs officers or employees for over-
13 time services, at the expense of the parties in interest, in
14 accordance with the provisions of section 5 of the Act
15 approved February 13, 1911, as amended by the Act ap-
16 proved February 7, 1920, and section 451 of the Tariff Act,
17 1930, as amended (19 U. S. C. 261, 267, and 1451) : *Pro-*
18 *vided*, That the receipts from such parties in interest for such
19 overtime services shall be deposited as a refund to the appro-
20 priation from which such overtime compensation is paid, in
21 accordance with the provisions of section 524 of the Tariff
22 Act of 1930, as amended (19 U. S. C. 1524) ; for the cost
23 of seizure, storage, and disposition of any merchandise, vehi-
24 cle and team, automobile, boat, air or water craft, or any
25 other conveyance seized under the provisions of the customs

1 laws, for the purchase of arms, ammunition, and accessories,
2 and \$570,000 shall be available for personal services in
3 the District of Columbia exclusive of ten persons from the
4 field force authorized to be detailed under section 525 of
5 the Tariff Act of 1930: *Provided*, That no part of this
6 appropriation shall be expended for maintenance or repair of
7 motor-propelled passenger-carrying vehicles for use in the
8 District of Columbia except two for use in connection with
9 the work of the customhouse in Georgetown.

10 Refunds and drawbacks: For the refund or payment of
11 customs collections or receipts, and for the payment of de-
12 bentures or drawbacks, bounties, and allowances, as author-
13 ized by law, \$19,000,000.

14 OFFICE OF THE COMPTROLLER OF THE CURRENCY

15 Salaries: Comptroller of the Currency and other personal
16 services in the District of Columbia, \$244,180.

17 BUREAU OF INTERNAL REVENUE

18 Salaries and expenses: For salaries and expenses in con-
19 nection with the assessment and collection of internal-reve-
20 nue taxes and the administration of the internal-revenue laws,
21 including the administration of such provisions of other laws
22 as are authorized by or pursuant to law to be administered
23 by or under the direction of the Commissioner of Internal
24 Revenue, including one stamp agent (to be reimbursed by
25 the stamp manufacturers) and the employment of experts;

1 the securing of evidence of violations of the Acts, the cost
2 of chemical analyses made by others than employees of the
3 United States and expenses incident to such chemists testify-
4 ing when necessary; transfer of household goods and effects
5 as provided by Act of October 10, 1940 (Public, Numbered
6 839), and regulations promulgated thereunder; telegraph
7 and telephone service, postage, freight, express, necessary
8 expenses incurred in making investigations in connection with
9 the enrollment or disbarment of practitioners before the
10 Treasury Department in internal-revenue matters, expenses
11 of seizure and sale, and other necessary miscellaneous ex-
12 penses, including stenographic reporting services; for the
13 acquisition of property under the provisions of title III of
14 the Liquor Law Repeal and Enforcement Act, approved
15 August 27, 1935 (49 Stat. 872-881), and the operation,
16 maintenance, and repair of property acquired under such
17 title III; for the purchase (not to exceed \$25,000), ex-
18 change, hire, maintenance, repair, and operation of motor-
19 propelled or horse-drawn passenger-carrying vehicles when
20 necessary, for official use of the Alcohol Tax and Intelligence
21 Units in field work; printing and binding (not to exceed
22 \$689,850) ; and the procurement of such supplies, equipment,
23 furniture, mechanical devices, laboratory supplies, periodicals
24 and newspapers for the Alcohol Tax Unit, ammunition, law-
25 books and books of reference, and such other articles as

1 may be necessary, \$71,512,000, of which amount not to
2 exceed \$9,731,155 may be expended for personal services
3 in the District of Columbia: *Provided*, That no part of this
4 amount shall be used in defraying the expenses of any officer
5 or employee designated above, subpoenaed by the United
6 States court to attend any trial before a United States court
7 or preliminary examination before any United States Com-
8 missioner, which expenses shall be paid from the appropria-
9 tion for "Fees of witnesses, Department of Justice":
10 *Provided further*, That not more than \$100,000 of the total
11 amount appropriated herein may be expended by the Com-
12 missioner of Internal Revenue for detecting and bringing to
13 trial persons guilty of violating the internal-revenue laws or
14 conniving at the same, including payments for information
15 and detection of such violation.

16 Salaries and expenses for refunding processing and re-
17 lated taxes and administering title III, Revenue Act of 1936:
18 For salaries and expenses in connection with (1) the assess-
19 ment and collection of the tax on unjust enrichment imposed
20 by title III, Revenue Act of 1936, (2) the making of refunds
21 and payments of processing and related taxes, as authorized
22 by titles IV and VII of the Revenue Act of 1936, as
23 amended, and (3) the refund of taxes collected under the
24 Cotton Act of April 21, 1934, as amended (48 Stat. 598),
25 the Tobacco Act of June 28, 1934, as amended (48 Stat.

1 1275), and the Potato Act of August 24, 1935 (49 Stat.
2 782), as authorized by the Second Deficiency Appropriation
3 Act, fiscal year 1938, as amended, including personal serv-
4 ices in the District of Columbia and elsewhere, the hiring of
5 experts, stationery and office supplies, equipment, furniture,
6 mechanical devices, lawbooks and books of reference, trade
7 journals, stenographic reporting service, telegraph and tele-
8 phone services, postage, freight, express, printing and bind-
9 ing, notarial fees, travel expenses, fees of expert witnesses,
10 and fees and mileage of witnesses, which shall be the same
11 as are paid witnesses in the courts of the United States and
12 may be paid in advance upon certification of such officer as
13 the Commissioner of Internal Revenue or the Secretary of
14 the Treasury may designate, \$1,100,000, of which amount
15 not to exceed \$875,000 may be expended for personal serv-
16 ices in the District of Columbia.

17 Refunds and payments of processing and related taxes:
18 For refunds and payments of processing and related taxes as
19 authorized by titles IV and VII, Revenue Act of 1936, as
20 amended; for refunds of taxes collected (including penalties
21 and interest) under the Cotton Act of April 21, 1934, as
22 amended (48 Stat. 598), the Tobacco Act of June 28, 1934,
23 as amended (48 Stat. 1275), and the Potato Act of August
24 24, 1935 (49 Stat. 782), in accordance with the Second
25 Deficiency Appropriation Act, fiscal year 1938 (52 Stat.

1 1150), as amended, and as otherwise authorized by law; and
2 for redemption of tax stamps purchased under the aforesaid
3 Tobacco and Potato Acts, there is hereby continued available
4 during the fiscal year 1942, the unexpended balance of
5 the funds made available to the Treasury Department for
6 these purposes for the fiscal year 1941 by the Treasury
7 Department Appropriation Act, 1941.

8 Additional income tax on railroads in Alaska: For
9 the payment to the Treasurer of Alaska of an amount equal
10 to the tax of 1 per centum collected on the gross annual
11 income of all railroad corporations doing business in Alaska,
12 on business done in Alaska, which tax is in addition to the
13 normal income tax collected from such corporations on net
14 income, and the amount of such additional tax to be appli-
15 cable to general Territorial purposes, \$6,350.

16 Refunding internal-revenue collections: For refunding
17 internal-revenue collections, as provided by law, including
18 the payment of claims for the prior fiscal years and payment
19 of accounts arising under "Allowance or draw-back (Internal
20 Revenue)", "Redemption of stamps (Internal Revenue)",
21 "Refunding legacy taxes, Act of March 30, 1928", and
22 "Repayment of taxes on distilled spirits destroyed by casu-
23 alty", \$63,000,000: *Provided*, That a report shall be made
24 to Congress by internal-revenue districts and alphabetically
25 arranged of all disbursements hereunder in excess of \$500 as

1 required by section 3 of the Act of May 29, 1928 (sec.
2 3776, I. R. C.), including the names of all persons and
3 corporations to whom such payments are made, together
4 with the amount paid to each.

5 UNITED STATES PROCESSING TAX BOARD OF REVIEW

6 Salaries and expenses: For salaries and expenses of not
7 to exceed seven members of the Board of Review established
8 by section 906 of the Revenue Act of 1936 for review of
9 the disallowance by the Commissioner of Internal Revenue
10 of claims for refund of processing taxes filed under title VII,
11 Revenue Act of 1936, as amended, including personal
12 services in the District of Columbia and elsewhere, stationery
13 and office supplies, equipment, furniture, mechanical devices,
14 law books and books of reference, press releases, trade
15 journals, periodicals and newspapers, contract reporting
16 services, telegraph and telephone services, postage, freight,
17 express, printing and binding, notarial fees, travel expenses,
18 and such other miscellaneous expenses as may be authorized
19 or approved by the Secretary of the Treasury for the work
20 of this Board, \$110,000.

21 BUREAU OF NARCOTICS

22 Salaries and expenses: For expenses to enforce the Act
23 of December 17, 1914 (26 U. S. C. 1383-1391), as
24 amended by the Revenue Act of 1918 (26 U. S. C. 1040-
25 1064), the Narcotic Drugs Import and Export Act, as

1 amended (21 U. S. C. 171-184), and the Marihuana Tax
2 Act of 1937 (26 U. S. C. 1399-1399q) ; pursuant to the Act
3 of March 3, 1927 (5 U. S. C. 281c), and the Act of June
4 14, 1930 (5 U. S. C. 282-282c), including the employment
5 of executive officers, attorneys, agents, inspectors, chemists,
6 supervisors, clerks, messengers, and other necessary em-
7 ployees in the field and in the Bureau of Narcotics in the
8 District of Columbia, to be appointed as authorized by law ;
9 the securing of information and evidence of violations of the
10 Acts ; the costs of chemical analyses made by others than
11 employees of the United States ; transfer of household goods
12 and effects as provided by the Act of October 10, 1940
13 (Public, Numbered 839), and regulations promulgated there-
14 under ; the purchase of such supplies, equipment, mechanical
15 devices, books, and such other expenditures as may be neces-
16 sary in the several field offices ; cost incurred by officers and
17 employees of the Bureau of Narcotics in the seizure, storage,
18 and disposition of property under the internal-revenue laws
19 when the same is disposed of under section 3460, Revised
20 Statutes (26 U. S. C. 1624) ; purchase (not to exceed
21 \$10,000), exchange, hire, maintenance, repair, and opera-
22 tion of motor-propelled or horse-drawn passenger-carrying
23 vehicles when necessary for official use in field work ; pur-
24 chase of arms and ammunition ; in all, \$1,278,475, of which
25 amount not to exceed \$190,000 may be expended for per-

1 sonal services in the District of Columbia: *Provided*, That the
 2 Secretary of the Treasury may authorize the use by narcotic
 3 agents of motor vehicles confiscated under the provisions of
 4 the Act of August 27, 1935 (27 U. S. C. 157), and the
 5 Act of August 9, 1939 (49 U. S. C., Supp. V, 781-788),
 6 and to pay the cost of acquisition, maintenance, repair,
 7 and operation thereof: *Provided further*, That not exceeding
 8 \$10,000 may be expended for the collection and dissemina-
 9 tion of information and appeal for law observance and law
 10 enforcement, including cost of printing, purchase of news-
 11 papers, and other necessary expenses in connection therewith
 12 and not exceeding \$1,500 for attendance at meetings con-
 13 cerned with the work of the Bureau of Narcotics: *Provided*
 14 *further*, That not exceeding \$10,000 may be expended for
 15 services or information looking toward the apprehension of
 16 narcotic law violators who are fugitives from justice: *Pro-*
 17 *vided further*, That moneys expended from this appropriation
 18 for the purchase of narcotics including marihuana, and subse-
 19 quently recovered shall be reimbursed to the appropriation
 20 for enforcement of the narcotic Acts current at the time of
 21 the deposit.

22 COAST GUARD

23 Office of Commandant: For personal services in the Dis-
 24 trict of Columbia, \$765,000: *Provided*, That no part of any
 25 appropriation contained in this Act shall be used to pay

1 any enlisted man of the Coast Guard while detailed for
2 duty at Coast Guard headquarters if such detail increases the
3 total number of enlisted men detailed on such duty at any
4 time above fourteen;

5 Pay and allowances: For pay and allowances prescribed
6 by law for commissioned officers, cadets, warrant officers,
7 petty officers, and other enlisted men, active and retired, tem-
8 porary cooks, surfmen, substitute surfmen, and three civilian
9 instructors, retired pay for certain members of the former
10 Life Saving Service authorized by the Act approved April
11 14, 1930 (14 U. S. C. 178a), and not exceeding \$10,000
12 for cash prizes for men for excellence in boatmanship, gun-
13 nery, target practice, and engineering competitions; for car-
14 rying out the provisions of the Act of June 4, 1920 (34
15 U. S. C. 943) ; not to exceed \$15,000 for cost of special
16 instruction, including books, laboratory equipment and fees,
17 school supplies, and maintenance of students; rations or
18 commutation thereof for cadets, petty officers, and other
19 enlisted men, mileage and expenses allowed by law for
20 officers; and traveling expenses of other persons traveling on
21 duty under orders from the Treasury Department, including
22 transportation of cadets, enlisted men, and applicants for en-
23 listment, with subsistence and transfers en route, or cash in
24 lieu thereof, and traveling expenses for the examinations
25 authorized by the Act entitled "An Act to provide for retire-

1 ment for disability in the Lighthouse Service", approved
2 March 4, 1925 (33 U. S. C. 765) ; expenses of recruiting
3 for the Coast Guard, rent of rendezvous, and expenses of
4 maintaining the same; advertising for and obtaining men
5 and apprentice seamen and applicants for appointment as
6 cadets; in-service training of enlisted men including cost of
7 textbooks, necessary school supplies, and correspondence
8 courses; transportation and packing allowances for baggage
9 or household effects of commissioned officers, warrant officers,
10 and enlisted men; and including not to exceed \$46,720 for
11 the recreation, amusement, comfort, contentment, and health
12 of the enlisted men of the Coast Guard, to be expended in
13 the discretion of the Secretary of the Treasury; \$32,680,000:
14 *Provided*, That no part of this appropriation shall be used
15 for increased pay at a rate in excess of \$1,440 per annum
16 to any nonflying commissioned officer or commissioned officer
17 observer for making aerial flights; which rate shall be the
18 legal maximum rate of such increased pay as to any such
19 officer: *Provided further*, That money accruing from com-
20 mutation of rations of enlisted men commuted for the benefit
21 of any mess may be paid on proper voucher to the officer
22 in charge of such mess;

23 General expenses, Coast Guard: For fuel, lubricating
24 oil, illuminants, kerosene, and water; the furnishing of heat,
25 light, and power (service) for vessels, shore stations, depots,

1 and offices; outfits, including necessary supplies and equip-
2 ment, medals, newspapers, technical books and periodicals,
3 and library books for shore stations and vessels; rental of
4 mechanical accounting machinery and other equipment;
5 repairs to portable equipment at shore units; ship chandlery,
6 engineers' stores, draft animals and their maintenance; pur-
7 chase (not to exceed \$25,000), exchange, maintenance,
8 operation, and repair of motor-propelled passenger-carry-
9 ing vehicles for official use at headquarters and in the
10 field; the rebuilding, repairing, maintenance, and incidental
11 expenses of shore stations, including lighthouses, lights,
12 beacons, and other fixed aids to navigation, radio stations,
13 depots, and offices; temporary leases and rentals; improve-
14 ment of property for Coast Guard purposes, including rental
15 or use of additional land where necessary and the purchase
16 of land for beacons, day marks, and fog signals; not to exceed
17 \$191,000 for completion of construction of the station
18 authorized by the Act approved June 29, 1936 (49 Stat.
19 2031); repairs to Coast Guard vessels, boats, and air-
20 craft, including cost of salvage operations when inci-
21 dent to such repairs; repair, maintenance, and operation
22 of vessels forfeited to the United States and delivered to
23 the Treasury Department under the terms of the Act ap-
24 proved March 3, 1925 (27 U. S. C. 41); coastal communi-
25 cation lines and facilities and their maintenance, and commun-

1 igation service; establishment, maintenance, repair, and im-
2 provement of post lights, buoys, submarine signals, fog signals,
3 beacons, day marks, and other aids to navigation; construction
4 of necessary outbuildings, including oil houses at light stations,
5 at a cost not exceeding \$2,500 at any one light station in any
6 fiscal year; wages of persons attending post lights; temporary
7 employees and field force, including professional, technical,
8 and clerical employees, while engaged on works of general
9 repair and maintenance, and laborers and mechanics at light-
10 house depots; rations and provisions, or commutation thereof,
11 for working parties in the field, officers and crews of light
12 vessels and tenders, and officials and other authorized persons
13 of the Coast Guard on duty on board of such tenders or
14 vessels, but money accruing from commutation of rations
15 and provisions for the above-named persons on board tenders
16 and light vessels or in working parties in the field may be
17 paid on proper voucher to the person having charge of the
18 mess of such vessel or party; transfer of household goods and
19 effects as provided by the Act of October 10, 1940 (Public,
20 Numbered 839), and regulations promulgated thereunder;
21 purchase of rubber boots, oilskins, rubber gloves, goggles,
22 and coats, caps, and aprons for steward's department on
23 vessels; fuel, light, and rent of quarters where necessary for
24 keepers of lighthouses; traveling expenses of teachers while
25 actually employed by States or private persons to instruct

1 the children of keepers of lighthouses; not to exceed \$1,500
2 for traveling expenses of new appointees from ports of em-
3 barkation in the United States to first post of duty at isolated
4 light stations in districts outside the continental limits of the
5 United States, and not to exceed \$2,500 for the transporta-
6 tion of the children of lighthouse keepers at isolated light
7 stations where necessary to enable such children to attend
8 school, as authorized by the Act of May 13, 1938 (33
9 U. S. C. 748a) ; necessary traveling expenses of lighthouse
10 keepers at isolated stations incurred in obtaining medical
11 attention as authorized by the Act of February 25, 1929
12 (33 U. S. C. 747b) ; purchase of provisions for sale to
13 Coast Guard personnel at isolated stations, and the appro-
14 priation reimbursed; contingent expenses, including subsist-
15 ence and clothing for shipwrecked and destitute persons
16 succored by the Coast Guard, and including reimbursement,
17 under rules prescribed by the Secretary of the Treasury,
18 of Coast Guard personnel who furnish from their personal
19 stock subsistence and clothing to such persons; subsistence
20 of prisoners while in the custody of the Coast Guard;
21 instruments, apparatus, and services necessary to the car-
22 rying on of scientific investigation, and not to exceed \$4,000
23 for experimental and research work; motion-picture equip-
24 ment (not to exceed \$30,000) and material for official
25 purposes; care, transportation, and burial of deceased officers

1 and enlisted men, including those who die in Government
2 hospitals, and civilian employees, in accordance with the
3 provisions of section 11, Act of June 6, 1940 (54 Stat. 248) :
4 apprehension of deserters; wharfage, towage, freight, storage,
5 advertising, surveys, entrance fees in matches for the rifle
6 team and special equipment therefor; not to exceed \$2,500
7 for contingencies for the Superintendent, United States Coast
8 Guard Academy, to be expended in his discretion; payment
9 of rewards for the apprehension and conviction, or for infor-
10 mation helpful to the apprehension and conviction, of persons
11 found interfering, in violation of section 6 of the Act of
12 May 14, 1908 (33 U. S. C. 761), with aids to navigation
13 maintained by the Coast Guard; and all other necessary
14 expenses which are not included under any other heading:
15 \$13,974,150, of which \$2,026,000 shall be available
16 immediately;

17 Civilian employees, Coast Guard: For compensation of
18 civilian employees in the field, including per diem labor,
19 but excluding personnel provided for in the appropriation
20 "General Expenses, Coast Guard", \$3,500,000;

21 Airplanes: For replacement and additional airplanes
22 and their equipment, including radio and ordnance equip-
23 ment, spare parts, and accessories, to be constructed or
24 purchased in the discretion of the Secretary of the Treasury,
25 \$663,000, to remain available until June 30, 1943;

1 Construction of vessels and shore facilities: For addi-
2 tional and replacement vessels and their equipment, and the
3 construction, rebuilding, or extension of shore facilities,
4 including the acquisition of sites therefor, \$8,111,000, to
5 be immediately available and to remain available until
6 expended, of which amount not to exceed four per centum
7 shall be available for administrative expenses in connection
8 therewith, including personal services in the District of
9 Columbia, and of which amount \$5,000,000 is for the con-
10 struction and equipment of three large cutters within a total
11 limit of cost of \$11,370,000 and the Secretary of the
12 Treasury is authorized to enter into contracts during the
13 fiscal years 1941 and 1942 for their construction and equip-
14 ment within such limit;

15 Establishing and improving aids to navigation: For
16 establishing and improving aids to navigation and other
17 works, \$1,500,000, which sum shall be available for all ex-
18 penditures directly relating to the respective projects and
19 of which \$950,000 shall be immediately available;

20 Retired pay, former Lighthouse Service, Coast Guard:
21 For retired pay of certain officers and employees entitled
22 thereto by virtue of former employment in the Lighthouse
23 Service engaged in the field service or on vessels of the Coast
24 Guard, except persons continuously employed in district
25 offices and shops, \$1,000,000;

1 No part of the appropriations contained in this Act
2 under the Coast Guard, nor of any appropriation heretofore
3 made, shall be used for the construction for the Coast Guard
4 of any new permanent aviation shore station or for the perma-
5 nent enlargement of the capacity of any existing aviation
6 shore station, but this limitation shall not apply to expendi-
7 tures for completion of construction for which funds were
8 made available by the Second Deficiency Appropriation Act,
9 fiscal year 1938, or by the First Deficiency Appropriation
10 Act, fiscal year 1940;

11 Wherever during the fiscal year 1942, civilian em-
12 ployees of the Coast Guard are replaced by military per-
13 sonnel, as provided in the Act of August 5, 1939 (53 Stat.
14 1216), funds for the pay and allowances of such military per-
15 sonnel may be transferred, with the approval of the Director
16 of the Bureau of the Budget, from the appropriation or appro-
17 priations which provide for the pay of such civilian personnel
18 to the appropriation "Pay and Allowances, Coast Guard";

19 Total, Coast Guard, \$62,193,150.

20 BUREAU OF ENGRAVING AND PRINTING

21 For the work of engraving and printing, exclusive of
22 repay work, during the fiscal year 1942, United States
23 currency and internal-revenue stamps, including opium
24 orders and special-tax stamps required under the Act of

1 December 17, 1914 (26 U. S. C. 1040, 1383), checks,
2 drafts, and miscellaneous work, as follows:

3 Salaries and expenses: For the Director, two Assistant
4 Directors, and other personal services in the District of Co-
5 lumbia, including wages of rotary press plate printers at per
6 diem rates and all other plate printers at piece rates to be
7 fixed by the Secretary of the Treasury, not to exceed the
8 rates usually paid for such work; for engravers' and printers'
9 materials and other materials, including distinctive and non-
10 distinctive paper, except distinctive paper for United States
11 currency and Federal Reserve bank currency; equipment of,
12 repairs to, and maintenance of buildings and grounds and for
13 minor alterations to buildings; directories, technical books
14 and periodicals, examples of engraving and printing, includ-
15 ing foreign securities and stamps, and books of reference; not
16 exceeding \$500; traveling expenses not to exceed \$2,000;
17 miscellaneous expenses, including not to exceed \$1,500 for
18 articles approved by the Secretary of the Treasury as being
19 necessary for the protection of the person of employees; for
20 transfer to the Bureau of Standards for scientific investiga-
21 tions in connection with the work of the Bureau of Engraving
22 and Printing, not to exceed \$15,000; and for the mainte-
23 nance and driving of two motor-propelled passenger-carrying
24 vehicles; \$10,000,000, to be expended under the direction
25 of the Secretary of the Treasury, of which not to exceed

1 \$150,000 shall be available only for the purchase of equip-
2 ment.

3 During the fiscal year 1942 all proceeds derived
4 from work performed by the Bureau of Engraving and Print-
5 ing, by direction of the Secretary of the Treasury, not covered
6 and embraced in the appropriation for such Bureau for such
7 fiscal year, instead of being covered into the Treasury as
8 miscellaneous receipts, as provided by the Act of August 4,
9 1886 (31 U. S. C. 176), shall be credited when received to
10 the appropriation for such Bureau for the fiscal year 1942.

11 SECRET SERVICE DIVISION

12 Salaries: For the Chief of the Division and other per-
13 sonal services in the District of Columbia, \$69,543.

14 Suppressing counterfeiting and other crimes: For sala-
15 ries and other expenses under the authority or with the
16 approval of the Secretary of the Treasury in detecting,
17 arresting, and delivering into the custody of the United
18 States marshal or other officer having jurisdiction, dealers
19 and pretended dealers in counterfeit money, persons engaged
20 in counterfeiting, forging, and altering United States notes,
21 bonds, national-bank notes, Federal Reserve notes, Federal
22 Reserve bank notes, and other obligations and securities of
23 the United States and of foreign governments (including
24 endorsements thereon and assignments thereof), as well as
25 the coins of the United States and of foreign governments,

1 and persons committing other crimes against the laws of the
2 United States relating to the Treasury Department and the
3 several branches of the public service under its control; pur-
4 chase (not to exceed \$15,000), exchange, hire, maintenance,
5 repair, and operation of motor-propelled passenger-carrying
6 vehicles when necessary; purchase of arms and ammunition;
7 traveling expenses; transfer of household goods and effects
8 as provided by the Act of October 10, 1940 (Public, Num-
9 bered 839), and regulations promulgated thereunder; and for
10 no other purpose whatsoever, except in the performance of
11 other duties specifically authorized by law, and in the
12 protection of the person of the President and the members
13 of his immediate family and of the person chosen to be Presi-
14 dent of the United States, \$1,009,000: *Provided*, That no
15 part of the amount herein appropriated shall be used in de-
16 fraying the expenses of any person subpoenaed by the United
17 States courts to attend any trial before a United States court
18 or preliminary examination before any United States commis-
19 sioner, which expenses shall be paid from the appropriation
20 for "Fees of witnesses, Department of Justice": *Provided*
21 *further*, That of the amount herein appropriated not to
22 exceed \$15,000 may be expended in the discretion of the
23 Secretary of the Treasury for the purpose of securing informa-
24 tion concerning violations of the laws relating to the Treasury

1 Department, and for services or information looking toward
2 the apprehension of criminals.

3 White House Police: For one captain, two lieutenants,
4 four sergeants, and seventy-three privates, at rates of pay
5 provided by law; in all, \$195,900.

6 For uniforming and equipping the White House Police,
7 including the purchase, issue, and repair of revolvers, and
8 the purchase and issue of ammunition and miscellaneous
9 supplies, to be procured in such manner as the President in
10 his discretion may determine, \$6,500.

11 BUREAU OF THE MINT

12 OFFICE OF DIRECTOR OF THE MINT

13 Salaries: For the Director of the Mint and other per-
14 sonal services in the District of Columbia, \$119,540.

15 Transportation of bullion and coin: For transportation
16 of bullion and coin, by registered mail or otherwise, between
17 mints, assay offices, and bullion depositories, \$187,500, in-
18 cluding compensation of temporary employees and other
19 necessary expenses incident thereto.

20 Contingent expenses and examination of mints: For
21 assay laboratory chemicals, fuel, materials, balances, weights,
22 and other necessities, including books, periodicals, specimens
23 of coins, ores, and incidentals, and for examination of mints,
24 expense in visiting mints for the purpose of superintending

1 the annual settlements, and for special examinations and for
2 the collection of statistics relative to the annual production
3 and consumption of the precious metals in the United States,
4 \$14,300.

5 Salaries and expenses, mints and assay offices: For com-
6 pensation of officers and employees of the mints at Phila-
7 delphia, Pennsylvania, San Francisco, California, Denver,
8 Colorado, and New Orleans, Louisiana, the assay offices at
9 New York, New York, and Seattle, Washington, and the
10 bullion depositories at Fort Knox, Kentucky, and West
11 Point, New York, including necessary personal services for
12 carrying out the provisions of the Gold Reserve Act of 1934
13 and the Silver Purchase Act of 1934, and any Executive
14 orders, proclamations and regulations issued thereunder, and
15 for incidental and contingent expenses, including traveling
16 expenses, new machinery, and repairs, arms, and ammuni-
17 tion, purchase and maintenance of uniforms and accessories
18 for guards, protective devices, and their maintenance, training
19 of employees in use of firearms and protective devices, pur-
20 chase (not exceeding \$1,700) and exchange of a motorbus,
21 maintenance, repair, and operation of two motorbuses for
22 use at the Fort Knox Bullion Depository, cases and enamel-
23 ing for medals manufactured, net wastage in melting and
24 refining and in coining departments, loss on sale of sweeps
25 arising from the treatment of bullion and the manufacture of

1 coins, not to exceed \$500 for the expenses of the annual
2 assay commission, and not exceeding \$1,000 for the acqui-
3 sition, at the dollar face amount or otherwise, of specimen
4 and rare coins, including United States and foreign gold coins
5 and pieces of gold used as, or in lieu of, money, and ores, for
6 addition to the Government's collection of such coins, pieces,
7 and ores; \$3,191,500.

8

PROCUREMENT DIVISION

9 Salaries and expenses: For the Director of Procurement
10 and other personal services in the District of Columbia and
11 in the field service, and for miscellaneous expenses, including
12 office supplies and materials, purchase and exchange of
13 motortrucks and maintenance thereof, telegrams, telephone
14 service, traveling expenses, office equipment, fuel, light,
15 electric current, and other expenses for carrying into effect
16 regulations governing the procurement, warehousing, and
17 distribution by the Procurement Division of the Treasury
18 Department of property, equipment, stores, and supplies in
19 the District of Columbia and in the field (including not to
20 exceed \$500 to settle claims for damages caused to private
21 property by motor vehicles used by the Procurement Divi-
22 sion), \$889,000: *Provided*, That the Secretary of the
23 Treasury is authorized and directed during the fiscal year
24 1942 to transfer to this appropriation from any appro-
25 priations or funds available to the several departments

1 and establishments of the Government for the fiscal year
2 1942 such amounts as may be approved by the Director
3 of the Bureau of the Budget, not to exceed the sum
4 of (a) the amount of the annual compensation of em-
5 ployees who may be transferred or detailed to the Procure-
6 ment Division, respectively, from any such department or
7 establishment, where the transfer or detail of such employees
8 is incident to a transfer of a function or functions to that
9 Division and (b) such amount as the Director of the Bureau
10 of the Budget may determine to be necessary for expenses
11 other than personal services incident to the proper carrying
12 out of functions so transferred: *Provided further*, That
13 payments during the fiscal year 1942 to the general
14 supply fund for materials, and supplies (including fuel),
15 and services, and overhead expenses for all issues shall be
16 made on the books of the Treasury Department by transfer
17 and counterwarrants prepared by the Procurement Division
18 of the Treasury Department and countersigned by the Comp-
19 troller General, such warrants to be based solely on itemized
20 invoices prepared by the Procurement Division at issue
21 prices to be fixed by the Director of Procurement: *Provided*
22 *further*, That advances received pursuant to law (31 U. S. C.
23 686) from departments and establishments of the United
24 States Government and the government of the District of

1 Columbia during the fiscal year 1942 shall be credited
2 to the general supply fund: *Provided further*, That not
3 to exceed \$1,000,000 shall be available from the general
4 supply fund during the fiscal year 1942 for personal services:
5 *Provided further*, That the term "fuel" shall be held
6 to include "fuel oil": *Provided further*, That the re-
7 quirements of sections 3711 and 3713 of the Revised
8 Statutes (40 U. S. C. 109) relative to the weighing of coal
9 and wood and the separate certificate as to the weight,
10 measurement, or quantity of coal and wood purchased shall
11 not apply to purchases by the Procurement Division at free-
12 on-board destination outside of the District of Columbia:
13 *Provided further*, That the reconditioning and repair of sur-
14 plus property and equipment, for disposition or reissue to
15 Government service, may be made at cost by the Procure-
16 ment Division, payment therefor to be effected by charging
17 the proper appropriation and crediting the appropriation
18 "Salaries and expenses, Procurement Division".

19 Repairs to typewriting machines (except bookkeeping
20 and billing machines) in the Government service in the Dis-
21 trict of Columbia may be made at cost by the Procurement
22 Division, payment therefor to be effected by charging the
23 proper appropriation and crediting the appropriation
24 "Salaries and expenses, Procurement Division".

1 No part of any money appropriated by this or any other
2 Act shall be used during the fiscal year 1942 for the purchase
3 of any standard typewriting machines (except bookkeeping,
4 billing, and electric machines) at a price in excess of the
5 following for models with carriages which will accommodate
6 paper of the following widths, to wit: Ten inches (cor-
7 respondence models), \$70; twelve inches, \$75; fourteen
8 inches, \$77.50; sixteen inches, \$82.50; eighteen inches,
9 \$87.50; twenty inches, \$94; twenty-two inches, \$95;
10 twenty-four inches, \$97.50; twenty-six inches, \$103.50;
11 twenty-eight inches, \$104; thirty inches, \$105; thirty-two
12 inches, \$107.50; or, for standard typewriting machines dis-
13 tinctively quiet in operation, the maximum prices shall be as
14 follows for models with carriages which will accommodate
15 paper of the following widths, to wit: Ten inches, \$80;
16 twelve inches, \$85; fourteen inches, \$90; eighteen inches,
17 \$95.

18 This title may be cited as the "Treasury Department
19 Appropriation Act 1942".

20 TITLE II—POST OFFICE DEPARTMENT

21 The following sums are appropriated in conformity with
22 the Act of July 2, 1836 (5 U. S. C. 380, 39 U. S. C. 786),
23 for the Post Office Department for the fiscal year ending
24 June 30, 1942, namely:

1 POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF
2 COLUMBIA

3 OFFICE OF THE POSTMASTER GENERAL

4 Salaries: For the Postmaster General and other per-
5 sonal services in the office of the Postmaster General in
6 the District of Columbia, \$226,904.

7 SALARIES IN BUREAUS AND OFFICES

8 For personal services in the District of Columbia in
9 bureaus and offices of the Post Office Department in not to
10 exceed the following amounts, respectively:

11 Office of the First Assistant Postmaster General,
12 \$391,420.

13 Office of the Second Assistant Postmaster General,
14 \$587,600.

15 Office of the Third Assistant Postmaster General,
16 \$791,060.

17 Office of the Fourth Assistant Postmaster General,
18 \$474,240.

19 Office of the Solicitor for the Post Office Department,
20 \$115,500.

21 Office of the chief inspector, \$240,910.

22 Office of the purchasing agent, \$47,240.

23 Bureau of Accounts, \$114,120.

1 CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

2 For contingent and miscellaneous expenses; stationery
3 and blank books, index and guide cards, folders and binding
4 devices, including purchase of free penalty envelopes; tele-
5 graph and telephone service, furniture and filing cabinets
6 and repairs thereto; purchase, exchange, maintenance, and
7 repair of tools, electrical supplies, typewriters, adding ma-
8 chines, and other labor-saving devices; purchase (including
9 exchange) of one motor-propelled passenger-carrying vehicle,
10 and for maintenance of motortrucks and of two motor-driven
11 passenger-carrying vehicles, to be used only for official pur-
12 poses (one for the Postmaster General and one for the gen-
13 eral use of the Department); streetcar fares; floor cover-
14 ings; postage stamps for correspondence addressed abroad,
15 which is not exempt under article 49 of the Buenos
16 Aires convention of the Universal Postal Union; purchase
17 and exchange of lawbooks, books of reference, railway guides,
18 city directories, and books necessary to conduct the business
19 of the Department; newspapers, not exceeding \$200; ex-
20 penses, except membership fees, of attendance at meetings or
21 conventions concerned with postal affairs, when incurred on
22 the written authority of the Postmaster General, not exceed-
23 ing \$2,000; expenses of the purchasing agent and of the
24 Solicitor and attorneys connected with his office while travel-

1 ing on business of the Department, not exceeding \$800; and
2 other expenses not otherwise provided for; \$89,796.

3 For printing and binding for the Post Office Depart-
4 ment, including all of its bureaus, offices, institutions, and
5 services located in Washington, District of Columbia, and
6 elsewhere, \$810,000.

7 Appropriations hereinafter made for the field service of
8 the Post Office Department, except as otherwise provided,
9 shall not be expended for any of the purposes hereinbefore
10 provided for on account of the Post Office Department in the
11 District of Columbia: *Provided*, That the actual and neces-
12 sary expenses of officials and employees of the Post Office
13 Department and Postal Service, when traveling on official
14 business, may continue to be paid from the appropriations for
15 the service in connection with which the travel is performed,
16 and appropriations for the fiscal year 1942 of the character
17 heretofore used for such purposes shall be available therefor:
18 *Provided further*, That appropriations hereinafter made,
19 except such as are exclusively for payment of compensation,
20 shall be immediately available for expenses in connection
21 with the examination of estimates for appropriations in the
22 field including per diem allowances in lieu of actual expenses
23 of subsistence.

1 FIELD SERVICE, POST OFFICE DEPARTMENT

2 OFFICE OF THE POSTMASTER GENERAL

3 Travel expenses, Postmaster General and Assistant
4 Postmasters General: For travel and miscellaneous expenses
5 in the Postal Service, offices of the Postmaster General and
6 Assistant Postmasters General, \$3,000.

7 Personal or property damage claims: To enable the
8 Postmaster General to pay claims for damages, occurring
9 during the fiscal year 1942, or in prior fiscal years, to per-
10 sons or property in accordance with the provisions of the
11 Deficiency Appropriation Act, approved June 16, 1921
12 (5 U. S. C. 392), as amended by the Act approved June
13 22, 1934 (48 Stat. 1207), \$45,000.

14 Adjusted losses and contingencies: To enable the Post-
15 master General to pay to postmasters, Navy mail clerks,
16 and assistant Navy mail clerks or credit them with the
17 amount ascertained to have been lost or destroyed during
18 the fiscal year 1942, or prior fiscal years, through burglary,
19 fire, or other unavoidable casualty resulting from no fault or
20 negligence on their part, as authorized by the Act approved
21 March 17, 1882, as amended, \$60,000.

22 OFFICE OF CHIEF INSPECTOR

23 Salaries of inspectors: For salaries of fifteen inspectors
24 in charge of divisions and six hundred and twenty inspectors,
25 \$2,405,700.

1 Traveling and miscellaneous expenses: For traveling
2 expenses of inspectors, inspectors in charge, the chief post-
3 office inspector, and the assistant chief post-office inspector,
4 and for the traveling expenses of four clerks performing sten-
5 ographic and clerical assistance to post-office inspectors in the
6 investigation of important fraud cases; for tests, exhibits,
7 documents, photographs, office, and other necessary expenses
8 incurred by post-office inspectors in connection with their
9 official investigations, including necessary miscellaneous ex-
10 penses of division headquarters, and not to exceed \$500 for
11 technical and scientific books and other books of reference
12 needed in the operation of the Post Office Inspection Service,
13 \$652,350: *Provided*, That not exceeding \$26,000 of this
14 sum shall be available for transfer by the Postmaster General
15 to other departments and independent establishments for
16 chemical and other investigations.

17 Clerks, division headquarters: For compensation of
18 one hundred and ninety-four clerks, at division headquarters
19 of post-office inspectors, \$483,975.

20 Payment of rewards: For payment of rewards for the
21 detection, arrest, and conviction of post-office burglars, rob-
22 bers, highway mail robbers, and persons mailing or causing
23 to be mailed any bomb, infernal machine, or mechanical,
24 chemical, or other device or composition which may ignite
25 or explode, \$55,000: *Provided*, That rewards may be paid

1 in the discretion of the Postmaster General, when an offender
 2 of the classes mentioned was killed in the act of committing
 3 the crime or in resisting lawful arrest: *Provided further,*
 4 That no part of this sum shall be used to pay any rewards
 5 at rates in excess of those specified in Post Office Depart-
 6 ment Order 9273, dated July 25, 1936: *Provided further,*
 7 That of the amount herein appropriated not to exceed
 8 \$20,000 may be expended in the discretion of the Postmaster
 9 General, for the purpose of securing information concerning
 10 violations of the postal laws and for services and information
 11 looking toward the apprehension of criminals.

12 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

13 Compensation to postmasters: For compensation to post-
 14 masters, including compensation as postmaster to persons
 15 who, pending the designation of an acting postmaster, assume
 16 and properly perform the duties of postmaster in the event
 17 of a vacancy in the office of postmaster of the third or fourth
 18 class, and for allowances for rent, light, fuel, and equipment
 19 to postmasters of the fourth class, \$50,200,000.

20 Compensation to assistant postmasters: For compensa-
 21 tion to assistant postmasters at first- and second-class post
 22 offices, \$7,230,000.

23 Clerks, first- and second-class post offices: For compen-
 24 sation to clerks and employees at first- and second-class post
 25 offices, including auxiliary clerk hire at summer and winter

1 post offices, printers, mechanics, skilled laborers, watchmen,
2 messengers, laborers, and substitutes, \$216,000,000.

3 Clerks, contract stations: For compensation to clerks
4 in charge of contract stations, \$1,640,000.

5 Separating mails: For separating mails at third- and
6 fourth-class post offices, \$415,000.

7 Unusual conditions: For unusual conditions at post
8 offices, \$85,000.

9 Clerks, third-class post offices: For allowances to third-
10 class post offices to cover the cost of clerical services
11 \$8,050,000.

12 Miscellaneous items, first- and second-class post offices:
13 For miscellaneous items necessary and incidental to the opera-
14 tion and protection of post offices of the first and second
15 classes, and the business conducted in connection therewith.
16 not provided for in other appropriations, \$1,825,000.

17 Village delivery service: For village delivery service
18 in towns and villages having post offices of the second or
19 third class, and in communities adjacent to cities having city
20 delivery, \$1,675,000.

21 Detroit River service: For Detroit River postal service,
22 \$11,960.

23 Carfare and bicycle allowance: For carfare and bicycle
24 allowance, including special-delivery carfare, and cost of
25 transporting carriers by privately owned automobiles to and

1 from their routes, at rates not exceeding regular streetcar
2 or bus fare, \$1,450,000.

3 City delivery carriers: For pay of letter carriers, City
4 Delivery Service, and United States Official Mail and Mes-
5 senger Service, \$151,500,000.

6 Special-delivery fees: For fees to special-delivery
7 messengers, \$9,250,000.

8 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

9 Star-route service: For inland transportation by star
10 routes (excepting service in Alaska), including temporary
11 service to newly established offices, \$11,250,000.

12 Star-route service, Alaska: For inland transportation
13 by star routes in Alaska, \$170,000.

14 Powerboat service: For inland transportation by steam-
15 boat or other powerboat routes, including ship, steamboat,
16 and way letters, \$1,397,750.

17 Railroad transportation and mail messenger service: For
18 inland transportation by railroad routes and for mail mes-
19 senger service, \$112,000,000: *Provided*, That separate ac-
20 counts be kept of the amount expended for mail messenger
21 service: *Provided further*, That there may be expended from
22 this appropriation for personal services in the District of
23 Columbia not exceeding the sum of \$33,050 to carry out
24 the provisions of section 214 of the Act of February 28,
25 1925 (39 U. S. C. 826) (cost ascertainment).

1 Railway Mail Service: For fifteen division superintend-
 2 ents, fifteen assistant division superintendents, two assistant
 3 superintendents at large, one hundred and twenty chief
 4 clerks, one hundred and twenty assistant chief clerks, clerks
 5 in charge of sections in the offices of division superintendents,
 6 railway postal clerks, substitute railway postal clerks, joint
 7 employees, and laborers in the Railway Mail Service, \$57,-
 8 400,000.

9 Railway postal clerks, travel allowance: For travel
 10 allowance to railway postal clerks and substitute railway
 11 postal clerks, \$3,275,000.

12 Railway Mail Service, traveling expenses: For actual
 13 and necessary expenses, general superintendent and assistant
 14 general superintendent, division superintendents, assistant di-
 15 vision superintendents, assistant superintendents, chief clerks,
 16 and assistant chief clerks, Railway Mail Service, and railway
 17 postal clerks, while actually traveling on business of the
 18 Post Office Department and away from their several desig-
 19 nated headquarters, \$55,000.

20 Railway Mail Service, miscellaneous expenses: For
 21 rent, light, heat, fuel, telegraph, miscellaneous and office
 22 expenses, telephone service, badges for railway postal clerks,
 23 rental of space for terminal railway post offices for the dis-
 24 tribution of mails when the furnishing of space for such
 25 distribution cannot, under the Postal Laws and Regulations,

1 properly be required of railroad companies without addi-
2 tional compensation, and for equipment and miscellaneous
3 items necessary to terminal railway post offices, \$440,000.

4 Electric- and cable-car service: For electric- and cable-
5 car service, \$200,000.

6 Foreign mail transportation: For transportation of
7 foreign mails, except by aircraft, \$2,300,000: *Provided*, That
8 the Postmaster General is authorized to expend such sums
9 as may be necessary, not to exceed \$70,000, to cover the
10 cost to the United States for maintaining sea post service
11 on ocean steamships conveying the mails to and from the
12 United States.

13 Balances due foreign countries: For balances due foreign
14 countries, fiscal year 1942 and prior years, \$1,500,000.

15 Indemnities, international mail: For payment of limited
16 indemnity for the injury or loss of international mail in
17 accordance with convention, treaty, or agreement stipula-
18 tions, fiscal year 1942 and prior years, \$8,000.

19 Rural Delivery Service: For pay of rural carriers, auxil-
20 iary carriers, substitutes for rural carriers on annual and sick
21 leave, clerks in charge of rural stations, and tolls and ferriage,
22 Rural Delivery Service, and for the incidental expenses
23 thereof, \$92,100,000, of which not less than \$200,000 shall
24 be available for extensions and new service.

25 Foreign air-mail transportation: For transportation of

1 foreign mails by aircraft, as authorized by law, including
2 the transportation of mail by aircraft between Seattle,
3 Washington, and Juneau, Alaska, via Ketchikan, Alaska,
4 \$15,477,831.

5 Domestic Air Mail Service: For the inland transpor-
6 tation of mail by aircraft, as authorized by law, and for
7 the incidental expenses thereof, including not to exceed
8 \$54,400 for supervisory officials and clerks at air-mail
9 transfer points, travel expenses, and not to exceed \$64,500
10 for personal services in the District of Columbia, \$21,280,327.

11 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

12 Manufacture and distribution of stamps and stamped
13 paper: For manufacture of adhesive postage stamps, special-
14 delivery stamps, books of stamps, stamped envelopes, news-
15 paper wrappers, postal cards, and for coiling of stamps, and
16 including not to exceed \$22,500 for pay of agent and assist-
17 ants to examine and distribute stamped envelopes and news-
18 paper wrappers, and for expenses of agency, \$5,000,000.

19 Indemnities, domestic mail: For payment of limited
20 indemnity for the injury or loss of pieces of domestic regis-
21 tered matter, insured and collect-on-delivery mail, and for
22 failure to remit collect-on-delivery charges, \$500,000.

23 Unpaid money orders more than one year old: For
24 payment of domestic money orders after one year from the
25 last day of the month of issue of such orders, \$190,000.

1 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

2 Post office stationery, equipment, and supplies: For sta-
3 tionery for the Postal Service, including the money-order
4 and registry system; and also for the purchase of supplies
5 for the Postal Savings System, including rubber stamps,
6 canceling devices, certificates, envelopes, and stamps for use
7 in evidencing deposits, and free penalty envelopes; and for
8 the reimbursement of the Secretary of the Treasury for ex-
9 penses incident to the preparation, issue, and registration of
10 the bonds authorized by the Act of June 25, 1910 (39
11 U. S. C. 760) ; for miscellaneous equipment and supplies,
12 including the purchase and repair of furniture, package boxes,
13 posts, trucks, baskets, satchels, straps, letter-box paint, baling
14 machines, perforating machines, stamp vending and postage
15 meter devices, duplicating machines, printing presses, direc-
16 tories, cleaning supplies, and the manufacture, repair, and
17 exchange of equipment, the erection and painting of letter-
18 box equipment, and for the purchase and repair of presses
19 and dies for use in the manufacture of letter boxes; for post-
20 marking, rating, money-order stamps, and electrotypes plates
21 and repairs to same; metal, rubber, and combination type,
22 dates and figures, type holders, ink pads for canceling and
23 stamping purposes, and for the purchase, exchange, and
24 repair of typewriting machines, envelope-opening machines,
25 and computing machines, numbering machines, time re-

1 corders, letter balances, scales (exclusive of dormant or
2 built-in platform scales in Federal buildings), test weights,
3 and miscellaneous articles purchased and furnished directly to
4 the Postal Service, including complete equipment and furni-
5 ture for post offices in leased and rented quarters; for the pur-
6 chase (including exchange), repair, and replacement of arms
7 and miscellaneous items necessary for the protection of the
8 mails; for miscellaneous expenses in the preparation and pub-
9 lication of post-route maps and rural delivery maps or blue-
10 prints, including tracing for photolithographic reproduction;
11 for other expenditures necessary and incidental to post offices
12 of the first, second, and third classes, and offices of the fourth
13 class having or to have rural delivery service, and for letter
14 boxes; for the purchase of atlases and geographical and
15 technical works not to exceed \$1,500; for wrapping twine
16 and tying devices (not more than three-fourths of the funds
17 herein appropriated for the purchase of twine shall be ex-
18 pended in the purchase of twine manufactured from materials
19 or commodities produced outside the United States); for
20 expenses incident to the shipment of supplies, including hard-
21 ware, boxing, packing, and not exceeding \$62,300 for the
22 pay of employees in connection therewith in the District of
23 Columbia; for rental, purchase, exchange, and repair of can-
24 celing machines and motors, mechanical mail-handling ap-
25 paratus, accident prevention, and other labor-saving devices,

1 including cost of power in rented buildings and miscellaneous
2 expenses of installation and operation of same, including
3 not to exceed \$35,000 for salaries of thirteen traveling
4 mechanics, and for traveling expenses, \$3,225,000: *Pro-*
5 *vided*, That the Postmaster General may authorize the sale
6 to the public of post-route maps and rural delivery maps or
7 blueprints at the cost of printing and 10 per centum thereof
8 added.

9 Equipment shops, Washington, District of Columbia:
10 For the purchase, manufacture, and repair of mail bags and
11 other mail containers and attachments, mail locks, keys,
12 chains, tools, machinery, and material necessary for same,
13 and for incidental expenses pertaining thereto; material, ma-
14 chinery, and tools necessary for the manufacture and repair
15 of such other equipment for the Postal Service as may be
16 deemed expedient; accident prevention; for the expenses of
17 maintenance and repair of the mail bag equipment shops
18 building and equipment, including fuel, light, power, and
19 miscellaneous supplies and services; maintenance of grounds;
20 for compensation to labor employed in the equipment shops
21 and in the operation, care, maintenance, and protection of
22 the equipment shops building, grounds, and equipment,
23 \$1,075,000, of which not to exceed \$605,000 may be
24 expended for personal services in the District of Colum-
25 bia: *Provided*, That out of this appropriation the Post-

1 master General is authorized to use as much of the sum,
2 not exceeding \$15,000, as may be deemed necessary for
3 the purchase of material and the manufacture in the equip-
4 ment shops of such small quantities of distinctive equipments
5 as may be required by other executive departments; and for
6 service in Alaska, Puerto Rico, Philippine Islands, Hawaii,
7 or other island possessions.

8 Rent, light, fuel, and water: For rent, light, fuel, and
9 water, for first-, second-, and third-class post offices, and the
10 cost of advertising for lease proposals for such offices,
11 \$9,900,000.

12 Pneumatic-tube service, New York City: For rental of
13 not exceeding twenty-eight miles of pneumatic tubes, hire
14 of labor, communication service, electric power, and other
15 expenses for transmission of mail in the city of New York
16 including the Borough of Brooklyn, \$540,628: *Provided*,
17 That the provisions of the Acts of April 21, 1902, May 27,
18 1908, and June 19, 1922 (39 U. S. C. 423), relating to
19 contracts for the transmission of mail by pneumatic tubes
20 or other similar devices shall not be applicable hereto.

21 Pneumatic-tube service, Boston: For the rental of not
22 exceeding two miles of pneumatic tubes, not including labor
23 and power in operating the same, for the transmission of mail
24 in the city of Boston, Massachusetts, \$24,000: *Provided*,
25 That the provisions not inconsistent herewith of the Acts

1 of April 21, 1902 (39 U. S. C. 423), and May 27, 1908
2 (39 U. S. C. 423), relating to the transmission of mail
3 by pneumatic tubes or other similar devices shall be appli-
4 cable hereto.

5 Vehicle service: For vehicle service; the hire of ve-
6 hicles; the rental of garage facilities; the purchase, exchange,
7 maintenance, and repair of motor vehicles, including the
8 repair of vehicles owned by, or under the control of, units of
9 the National Guard and departments and agencies of the
10 Federal Government where repairs are made necessary be-
11 cause of utilization of such vehicles in the Postal Service;
12 accident prevention; the hire of supervisors, clerical assist-
13 ance, mechanics, drivers, garagemen, and such other em-
14 ployees as may be necessary in providing vehicles and vehicle
15 service for use in the collection, transportation, delivery, and
16 supervision of the mail, and United States official mail and
17 messenger service, \$15,900,000: *Provided*, That the Post-
18 master General may, in his disbursement of this appropria-
19 tion, apply a part thereof to the leasing of quarters for the
20 housing of Government-owned motor vehicles at a reasonable
21 annual rental for a term not exceeding ten years: *Provided*
22 *further*, That the Postmaster General, during the fiscal year
23 1942 may purchase and maintain from the appropriation
24 "Vehicle service" such tractors and trailer trucks as may be
25 required in the operation of the vehicle service: *Provided*

1 *further*, That no part of this appropriation shall be expended
2 for maintenance or repair of motor-propelled passenger-carry-
3 ing vehicles for use in connection with the administrative
4 work of the Post Office Department in the District of
5 Columbia.

6 Transportation of equipment and supplies: For the
7 transportation and delivery of equipment, materials, and sup-
8 plies for the Post Office Department and Postal Service by
9 freight, express, or motor transportation, and other incidental
10 expenses, \$330,000.

11 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

12 Operating force: For personal services in connection
13 with the operation of public buildings, including the Wash-
14 ington Post Office and the Customhouse Building in the
15 District of Columbia, operated by the Post Office Depart-
16 ment, together with the grounds thereof and the equipment
17 and furnishings therein, including telephone operators for
18 the operation of telephone switchboards or equivalent tele-
19 phone switchboard equipment in such buildings jointly serv-
20 ing in each case two or more governmental activities,
21 \$23,500,000: *Provided*, That in no case shall the rates of
22 compensation for the mechanical labor force be in excess of
23 the rates current at the time and in the place where such
24 services are employed.

25 Operating supplies, public buildings: For fuel, steam,

1 gas, and electric current for lighting, heating, and power
2 purposes, water, ice, lighting supplies, removal of ashes and
3 rubbish, snow and ice, cutting grass and weeds, washing
4 towels, telephone service for custodial forces, and for mis-
5 cellaneous services and supplies, accident prevention, vacuum
6 cleaners, tools and appliances and repairs thereto, for the
7 operation of completed and occupied public buildings and
8 grounds, including mechanical and electrical equipment, but
9 not the repair thereof, operated by the Post Office Depart-
10 ment, including the Washington Post Office and the Custom-
11 house Building in the District of Columbia, and for the trans-
12 portation of articles and supplies authorized herein, \$5,500,-
13 000: *Provided*, That the foregoing appropriation shall not be
14 available for personal services except for work done by con-
15 tract, or for temporary job labor under exigency not exceed-
16 ing at one time the sum of \$100 at any one building: *Pro-*
17 *vided further*, That the Postmaster General is authorized to
18 contract for telephone service in public buildings under his
19 administration by means of telephone switchboards or equiva-
20 lent telephone switching equipment jointly serving in each
21 case two or more governmental activities, where he deter-
22 mines that joint service is economical and in the interest of
23 the Government, and to secure reimbursement for the cost of
24 such joint service from available appropriations for telephone
25 expenses of the bureaus and offices receiving the same.

1 Furniture, carpets, and safes, public buildings: For the
2 procurement, including transportation, of furniture, carpets,
3 safes, safe and vault protective devices, and repairs of same,
4 for use in public buildings which are now, or may hereafter
5 be, operated by the Post Office Department, \$600,000: *Pro-*
6 *vided*, That, excepting expenditures for labor for or incidental
7 to the moving of equipment from or into public buildings,
8 the foregoing appropriation shall not be used for personal
9 services except for work done under contract or for temporary
10 job labor under exigency and not exceeding at one time the
11 sum of \$100 at any one building: *Provided further*, That all
12 furniture now owned by the United States in other public
13 buildings or in buildings rented by the United States shall be
14 used, so far as practicable, whether or not it corresponds with
15 the present regulation plan of furniture.

16 Scientific investigations: In the disbursement of appro-
17 priations contained in this title for the field service of the
18 Post Office Department the Postmaster General may trans-
19 fer to the Bureau of Standards not to exceed \$20,000 for
20 scientific investigations in connection with the purchase of
21 materials, equipment, and supplies necessary in the mainte-
22 nance and operation of the Postal Service.

23 Deficiency in postal revenues: If the revenues of the
24 Post Office Department shall be insufficient to meet the
25 appropriations made under title II of this Act, a sum equal

1 to such deficiency in the revenues of such Department is
2 hereby appropriated, to be paid out of any money in the
3 Treasury not otherwise appropriated, to supply such de-
4 ficiency in the revenues of the Post Office Department for
5 the fiscal year ending June 30, 1942, and the sum needed
6 may be advanced to the Post Office Department upon requi-
7 sition of the Postmaster General.

8 This title may be cited as the "Post Office Department
9 Appropriation Act, 1942".

10 TITLE III—GENERAL PROVISIONS

11 SEC. 301. Appropriations for the fiscal year 1942
12 available for expenses of travel of civilian officers and
13 employees of the executive departments and establishments
14 shall be available also for expenses of travel performed by
15 them on transfer from one official station to another when
16 authorized by the head of the department or establishment
17 concerned in the order directing such transfer: *Provided*,
18 That such expenses shall not be allowed for any transfer
19 effected for the convenience of any officer or employee.

20 SEC. 302. No appropriation available for the executive
21 departments and independent establishments of the Govern-
22 ment for the fiscal year ending June 30, 1942, whether
23 contained in this Act or any other Act, shall be expended—

24 (a) To purchase any motor-propelled passenger-car-
25 rying vehicle (exclusive of busses, ambulances, and station

1 wagons), at a cost, completely equipped for operation,
2 and including the value of any vehicle exchanged, in excess
3 of \$750, unless otherwise specifically provided for in the
4 appropriation.

5 (b) For the maintenance, operation, and repair of any
6 Government-owned motor-propelled passenger-carrying ve-
7 hicle not used exclusively for official purposes; and "official
8 purposes" shall not include the transportation of officers and
9 employees between their domiciles and places of employ-
10 ment, except in cases of medical officers on out-patient
11 medical services and except in cases of officers and employees
12 engaged in field work the character of whose duties makes
13 such transportation necessary and then only as to such latter
14 cases when the same is approved by the head of the depart-
15 ment or establishment concerned. The limitations of this
16 subsection (b) shall not apply to any motor vehicles for
17 official use of the President, the heads of the executive depart-
18 ments, Ambassadors, Ministers, and *chargés d'affaires*.

19 (c) For the maintenance, upkeep, and repair (exclusive
20 of garage rent, pay of operators, tires, fuel, and lubricants)
21 on any one motor-propelled passenger-carrying vehicle, ex-
22 cept busses and ambulances, in excess of one-third of the
23 market price of a new vehicle of the same make and class
24 and in no case in excess of \$400.

25 SEC. 303. No part of the money appropriated under

1 this Act shall be paid to any person for the filling of any
2 position for which he or she has been nominated after the
3 Senate upon vote has failed to confirm the nomination of
4 such person.

5 SEC. 304. No part of any appropriation contained in
6 this Act or authorized hereby to be expended shall be used
7 to pay the compensation of any officer or employee of the
8 Government of the United States, or of any agency the
9 majority of the stock of which is owned by the Government
10 of the United States, whose post of duty is in continental
11 United States, unless such officer or employee is a citizen
12 of the United States or a person in the service of the United
13 States on the date of the approval of this Act who, being
14 eligible for citizenship, has filed a declaration of intention to
15 become a citizen or who owes allegiance to the United States:
16 *Provided*, That this section shall not apply to enlisted men
17 of the United States Coast Guard who are on active duty in
18 that service on the effective date of this Act, until the ex-
19 piration of the period required for such enlisted men to com-
20 plete their naturalization, nor shall it apply to personnel of
21 the Coast Guard on the retired list, and enlisted men on
22 active duty with over twelve years' honorable service who
23 are ineligible for United States citizenship.

24 SEC. 305. This Act may be cited as the "Treasury and
25 Post Office Departments Appropriation Act, 1942".

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77TH CONGRESS
1ST SESSION

H. R. 3205

[Report No. 60]

A BILL

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1942, and for other purposes.

By Mr. LUDLOW

FEBRUARY 10, 1941

Committed to the Committee of the Whole House on
the state of the Union and ordered to be printed

I hope the amendment is defeated. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 3, line 5, after the figures, insert "Provided, That no person shall be deprived of work where work is provided because he does not belong, refuses to join, or pay dues to any organization."

Mr. WOODRUM of Virginia. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HOFFMAN. I thank the gentleman from Virginia for reserving the point of order instead of making it, although I do not concede that the point of order is well taken.

The CHAIRMAN. The gentleman from Virginia reserves a point of order against the amendment. The gentleman from Michigan is recognized for 5 minutes in support of his amendment.

Mr. HOFFMAN. Mr. Chairman, this brings up a question and an issue which you have heard before. This question and this issue is whether here in this country of ours where we have a democracy, it is said, the privilege or the right to work shall be restricted to a few; whether the few, or for that matter the majority, shall have a preference and what it ultimately will lead to, a monopoly of the jobs which are available here in America. Many Members on the majority side I know are against any such proposition. I know of no one on the minority side who favors such a proposition. We are nevertheless unable to get action.

Today we are considering an appropriation for those who are unfortunate. You may discuss it as you will, nevertheless, essentially it has the elements of a charitable proposition. We take money from those who have to give, through a work program, to those who are less fortunate. With this proposition I have no fault to find, provided there is a necessity for the appropriation.

But when to that you add that this money which is taken from the taxpayers to give employment to those unable to get work—for whatever the reason may be—when you add to that program another hurdle saying that before these jobs which in many instances may mean food, clothing, or shelter, freedom from starvation, or freedom from hunger—when to all other hurdles you let an outside organization add another hurdle those unfortunate people must get over by paying dues to this outside organization, then I ask: Are you thinking of the poor and the unfortunate? Are you thinking of the W. P. A. worker? Or are you thinking of the union organization which can give political support in return for the rejection of an amendment such as this?

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. COLE of New York. I feel that the gentleman's amendment has considerable merit and deserves the sympathetic con-

sideration of the entire House. Only this morning I received a complaint from a person who had applied for a job on a W. P. A. project in connection with some work being done over here at the Aberdeen Proving Grounds. He was told by the foreman on the job that nobody would get a job there who did not carry a union card. Practices such as this are abominable.

Mr. HOFFMAN. And that is true all over the country. I have dozens—yes, hundreds—of letters reciting that very situation, some of them from union men.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. WOODRUM of Virginia. It is passing strange to me if the gentleman has gotten hundreds of letters like that, that the committee handling the bill has not gotten them. If there has ever been any place anywhere where there is not a requirement to have a union card, it is W. P. A. I have never heard of such a requirement.

Mr. HOFFMAN. I may say in answer to the gentleman, and from my own knowledge, that men who have worked on W. P. A. have come to me in my own district and told me that that was so.

Mr. WOODRUM of Virginia. It must be an isolated case.

Mr. HOFFMAN. By no means. If the gentleman doubts my statement about the letters, I will be glad to turn them over to him. I will tell him the reason why he has not received them. The people outside have not understood through the press that he had any concern perhaps for that particular class, while I have been making a noise down here, obnoxious to some, about the matter of payment of dues. That may be the reason.

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, the gentleman from Virginia has expressed approval of the proposal I have suggested here but has said with reference to other bills when a similar amendment was offered, "Let us proceed in the regular way." I suppose he will make the same argument here today. But let me call the attention of the gentleman to what happened the other day. The gentleman from Virginia [Mr. SMITH] offered an amendment which contained two propositions. One was with reference to the Communists and the other with reference to organized labor. The argument was made, "Let us proceed in the regular way." Then by a substitute, the part which applied to organized labor was stricken and we all then proceeded very valiantly, you might say, to kick the Communists around. There are dozens of such instances. Last year we had one with reference to Sapoos and we adopted a similar amendment with reference to the Labor Board.

Mr. WOODRUM of Virginia. The gentleman is an experienced legislator, a very astute legislator.

Mr. HOFFMAN. Many thanks. I wish it were true.

Mr. WOODRUM of Virginia. The gentleman knows of course that he made no effort whatsoever to present these views to the committee which handled the bill, and he also knows perfectly well, and as well as any gentleman upon the floor of this House, that his amendment is legislation on an appropriation bill and not in order at this time. I am wondering if the gentleman is not making a speech like we do sometimes for psychological purposes.

Mr. HOFFMAN. No. I am so weak, so tired, that I do not argue just for the sake of talking and I would not presume to present the matter to the gentleman's committee, headed as it is by the distinguished gentleman from Virginia, for whom I have every respect, whose ability and integrity are unquestioned, because the gentleman himself knows the situation as well as I do. He does not like it. I have offered at least three bills, all of which went to the Judiciary Committee, not the Labor Committee, on this same general subject.

Mr. O'NEAL. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Kentucky.

Mr. O'NEAL. Does the gentleman know that this is now a part of existing law and there is a criminal penalty for exactly that of which the gentleman complains?

Mr. HOFFMAN. No; I do not. I would be glad to have it if that is the law now.

Mr. O'NEAL. I will be glad to give the gentleman the citation. Section 27 of the Emergency Relief Appropriation Act, fiscal year 1941.

Mr. HOFFMAN. Section 27 of what title?

Mr. O'NEAL. Section 27 distinctly prohibits and there is a penalty for this. May I say further that the employees are taken in most cases by local certification agencies? The W. P. A. takes them only from those who are certified locally and by the State.

Mr. HOFFMAN. It is with regret that I am forced to disagree. The gentleman is evidently mistaken as to the efficacy of the section to which he referred to meet the situation which this amendment would remedy. The section to which he refers provides that—

Any person who knowingly * * * by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of * * * membership in a labor organization, deprives any person of any of the benefits to which he may be entitled under any such appropriations—

is guilty of an offense.

Note the language. It punishes discrimination because of membership in a labor organization. It does not punish discrimination because of a lack of membership in a labor organization, and that is the point which I am trying to cover by this amendment, which is proper as a limitation upon an appropriation bill, under the precedents established by the House.

I regret, too, that I cannot agree with the gentleman from Kentucky [Mr.

O'NEAL] that those on W. P. A. are not required to buy these work permits. As it happens, one of the unemployed brought in his work permit. It was issued November 13, 1940, by Building Laborers' Local No. 74, 525 New Jersey Avenue NW. He was not required to pay for this permit, as he had been out of work, had no money, and so the union gave him a permit without charge, good until November 17, 1940. On the 18th, or 5 days later, he paid \$5 to have his permit extended until November 23; and, on the 22d, he paid another \$5 for another extension. As it happens, I have photostats of these permits, which were given me by the man to whom they were issued.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Michigan [Mr. HOFFMAN] desire to be heard?

Mr. HOFFMAN. Yes.

Mr. Chairman, this is a limitation, in fact, on the right of a certain group to prevent this money reaching those for whom it is appropriated, therefore it is proper.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Michigan [Mr. HOFFMAN] reads as follows:

Provided, That no person shall be deprived of work where work is provided because he does not belong or refuses to join or to pay dues to any organization.

Rule XXI of the House, referring to general appropriation bills, provides:

Nor shall any provision in any such bill or amendment thereto changing existing law be in order.

This being a supplementary appropriation bill, the amendment is not in order, and the Chair sustains the point of order.

The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BARNES, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3204) making additional appropriations for the fiscal year 1941 urgently required for the Work Projects Administration and certain other Federal agencies, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the bill and amendment to final passage. The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT

Mr. PETERSON of Georgia. Mr. Speaker, I was prevented from being present when the vote was taken yesterday on House Resolution 90, a resolution for the continuation of the Special Committee To Investigate Un-American Activities. Had I been present when the vote was taken, I would have voted "yea."

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article I have written for the March number of the Moose magazine on the subject of Abraham Lincoln.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HILL of Washington. Mr. Speaker, a week ago today, on Wednesday, February 5, I cited a quotation by Prime Minister Winston Churchill and a brief comment thereon. Inadvertently I ascribed this comment to the well-known columnist Raymond Clapper. I regret this, as he has taken a different view all along on aid to England. The comment was made by the columnist John T. Flynn in the Daily News of December 2, 1940. Raymond Clapper, Hugh Johnson, and John T. Flynn each have a column on the same page of the Daily News. I always read them, and find them both informative and interesting, although I do not always agree with them.

I regret very much that I should have given this wrong impression of Mr. Clapper's attitude toward aid to England, and I am glad to here make this public correction of the error with my apologies to Mr. Clapper.

EXTENSION OF REMARKS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some tables I have had prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1942

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes; and pending that motion, I ask unani-

mous consent that general debate continue throughout this afternoon without limitation, one-half of the time to be controlled by the gentleman from New York [Mr. TABER] and the other half by myself.

The SPEAKER. Is there objection to the request of the the gentleman from Indiana?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3205, with Mr. GAVAGAN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. LUDLOW. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, I would like to preface my detailed analysis of the bill which we bring before you today, the bill making appropriations for the Treasury and Post Office Departments for the fiscal year 1942, with my humble but very sincere and heartfelt tribute to the members of our subcommittee, EMMET O'NEAL, GEORGE JOHNSON, GEORGE MAHON, JOE CASEY, JOHN TABER, FRANK KEEFE, and BOB RICH, all conscientious, able, outstanding representatives of the people. I appreciate very much the honor and privilege of being associated with these men in the public service. I cannot imagine that it is possible for any group of men to work together more cooperatively and congenially. We park our politics with our hats in the anteroom and we try to decide the problems that come before us by the yardstick of what is best in the public interest, and by no other yardstick or consideration whatsoever.

We have our pros and cons, our gives and takes, in a free forum of debate and action; and when all is said and done, we almost invariably manage to reach a unanimous agreement, based, as we believe, on the rule of reason, with politics still in escrow in the antechamber. The preparation of a large appropriation bill, such as ours, is an exceedingly long and laborious task. We began hearings on December 10 and ended them on January 21. Witnesses from the highest to the lowest in official authority appeared before us and submitted to intensive examination while we sought to elicit from them the facts that would enable us to reach just and righteous conclusions. And we heard a number of persons not in the public service who were capable of throwing light on the problems before us. The reports of the hearings before our subcommittee are available in two volumes, comprising 1,229 pages of testimony.

I will close these preliminary remarks by saying that I have a heart full of gratitude for Mr. Shield, the efficient clerk of our subcommittee.

BOTH ARE SERVICE ESTABLISHMENTS

The Treasury and Post Office Departments for which appropriations for the fiscal year 1942 are carried in this bill, are distinctly service establishments. The Post Office Department is purely a service agency. The Treasury Department has a service relationship to the

entire Government in its principal functions of accounting, disbursing, and financing. The funds provided in this bill, therefore, are preponderantly for services of a vital nature, essential to our domestic well-being and to our national defense and security. These services are now in a process of rapid expansion to meet the trends of government and the requirements of our domestic and foreign situations. Postal business is on the upsurge in a very marked degree. It is axiomatic that the mails must be moved and that personnel must be provided to move them. The unprecedented enlargement of the Army and Navy and correlated activities under the defense program has thrown a vast new burden on the Treasury Department. This Department is the vehicle of disbursement, and it finds itself facing the task of servicing hundreds of thousands of additional checks on account of national defense, and this, of course, means more personnel. In fact, national-defense requirements entering into various items in both Departments have upset all normal calculations. For instance, just as one illustration, there has been imposed upon the Post Office Department the responsibility of seeing that the mail is delivered promptly and accurately to bodies of troops more or less transitory and to vast troop concentrations. This is no easy task and we have allowed as necessary personnel to set up this service 20 additional post-office inspectors whom we would not have thought of placing on the Federal pay roll if it had not been for this peculiar problem inseparably associated with national defense.

It is important to the morale of the young men in camps and to the satisfaction of their folks back home that they get their mail promptly. In too many places to be described in a limited review, national defense enters the picture in these appropriations, but this is notably true in the Coast Guard of the Treasury Department. The Coast Guard is an important potential arm of national defense. Under existing statutes in time of war it becomes automatically fused into the Navy. We have therefore allowed to the Coast Guard appropriations for additional personnel of commissioned officers, warrant officers, cadets, and enlisted men, and for other items which we would have been slow to grant in a less turbulent international atmosphere. With war clouds lowering over the world and madmen running loose, threatening civilization and our democratic way of life, our subcommittee has felt that within the restricted limit of our jurisdiction we should do everything we could to promote and safeguard our national security.

DIFFICULT TO MAKE DEEP CUTS

Having before us this picture of the needs of these two great service departments growing out of the increased volume of mail and the expanding and varied requirements of national defense, our subcommittee has not been able to make such substantial cuts in the proposed appropriations as it certainly would have tried to effectuate under more calm and normal circumstances. We found that on the whole the Bureau of the Budget

already had done a pretty good job of slashing estimates. We studied the estimates with the greatest care, looking for places where further cuts might reasonably be made, and we have brought to you a bill which raises no Budget estimate in any instance and which reduces all down the line the estimates of specific items submitted by the Budget.

For the Post Office Department the appropriations recommended in this bill for 1942 total \$842,064,311, a decrease of \$3,948,276 below the Budget estimates, and an increase of \$26,574,134 above the appropriations for the fiscal year 1941. For the Treasury Department the appropriations carried in this bill amount to \$304,330,185, a decrease of \$5,031,220 below the Budget estimates and a decrease of \$30,319,950 below the total appropriations for the fiscal year 1941.

For the two departments combined this bill appropriates a total of \$1,146,394,496, a decrease of \$8,979,496 below Budget estimates and a decrease of \$3,745,816 below the appropriations for the fiscal year 1941.

POSTAL PICTURE ATTRACTIVE

The postal picture is attractive. If you will consult the table on page 13 of the hearings, you will see that the last four fiscal years have shown continuously all-time high records in postal earnings, \$726,201,109.89 in 1937, \$728,634,051.36 in 1938, \$745,955,075.24 in 1939, and \$766,948,626.74 in 1940. This upward trend is continuing, with estimated revenues of \$785,000,000 in the fiscal year 1941 and \$795,000,000 in 1942. Deducting the nonpostal items, including penalty and franked mail, free circulation of newspapers in the counties where printed, air-mail subsidy, and so forth, the tongue and buckle of the Postal Service are now meeting and the Service is on a self-sustaining basis, with actual surpluses during the last 4 years, as well as indicated surpluses during the fiscal years 1941 and 1942, as follows:

1937-----	\$12,643,739 04
1938-----	4,412,821 85
1939-----	14,547,795 30
1940-----	18,609,036 01
1941-----	10,706,981 00
1942-----	8,987,413.00

The Post Office Department, which is always inclined to conservatism in its forecasts, estimates that postal revenues in the fiscal year 1942 will be \$795,000,000—an all-time high. This would be \$206,828,077.06 more than the postal revenues of 1932, showing how postal receipts have grown by leaps and bounds during the decennial period. The Department estimates its expenditures in 1942 at \$846,012,587, which also would be an all-time-high record. The estimated gross postal deficit in 1942 is \$51,012,587, and the total estimate of nonpostal items for 1942 is placed at \$60,000,000. This would indicate that the Postal Service will be "in the black" in 1942 to the extent of an indicated postal surplus of \$8,987,413 for that fiscal year. On June 30, 1930, there were 254,577 postal employees in all classifications, and on November 30, 1940, there were 268,368, an increase of 13,791. There was an increase of 5,530 in the number of city-delivery carriers during that time and an increase of 6,443

in the number of clerks at first- and second-class offices.

BUDGET PERSONNEL ESTIMATES GRANTED

In order that the Post Office Department may be able to handle satisfactorily and expeditiously the increasing volume of mail, we have allowed in this bill the full Budget estimates for clerks at first- and second-class post offices and city delivery carriers. For clerks at first- and second-class offices we carry the Budget figure of \$216,000,000, which is \$3,400,000 in excess of the total expenditures, regular and deficiency, in 1941. This will permit of the employment of 750 additional clerks in the fiscal year 1942. The average pay of a clerk in first- and second-class offices is \$2,167.23, but as the 750 are to be staggered into the service throughout the year their average cost for the fiscal year will be \$1,400. For city delivery carriers we have allowed the Budget estimate of \$151,500,000, which is an increase of \$1,000,000 over the total regular and deficiency appropriations in 1941 for this purpose. This will permit the appointment of 600 additional carriers in the fiscal year 1942 at an average salary of \$1,500 on a staggered basis.

In appropriating the full amounts estimated by the Budget for these two largest blocks of postal employees, who compose the backbone of the postal personnel, our subcommittee has recognized the fact that mail volume is growing and promises to continue to increase, and we have taken what we believe to be the proper steps to cope with this situation adequately.

DEPARTMENT IS SATISFIED

That the Post Office Department is satisfied with the appropriations we have allowed for these large personnel groups was explicitly stated by Deputy First Assistant Postmaster General Jesse M. Donaldson, who appeared before our subcommittee. Mr. Donaldson's record of service is outstanding and he is recognized as one of the highest authorities on postal matters. He explained that while the Department had originally asked the Budget for more money for clerks and carriers it was content to stand on the Budget's decision. I invite your attention to page 131 of the hearings, from which I quote, as follows:

Mr. LUDLOW. I would like to ask in connection not only with city letter carriers but also clerks, whether the department can get along all right and be satisfied with the estimates that are before us. * * * You are satisfied and you think it would be a proper appropriation procedure to base appropriations upon these estimates.

Mr. DONALDSON. Yes; I do. I doubt the wisdom of even suggesting to members of the committee that they increase the items over the amounts allowed for them by the Bureau of the Budget, as allowed in both instances. Let us see whether we can get along with what is recommended. If we cannot, then let us justify the need of a deficiency.

Mr. LUDLOW. That would seem to be a sound way to proceed. I think we should try that.

Mr. DONALDSON. If we can get along with this appropriation and conduct the Postal Service as we should, we shall be happy to do so; otherwise we shall have to come here and justify a deficiency.

Mr. LUDLOW. There will be no serious harm wrought, because you will find the doors of the deficiency committee open.

Mr. DONALDSON. This committee always has been very fair when we have appeared before it in connection with a request for a deficiency appropriation. When we have produced the facts we have been treated quite fairly.

The appropriations carried in this bill for clerks and carriers—\$216,000,000 and \$151,500,000, respectively—are the largest ever made for those groups and we believe the amounts allowed will be adequate for handling the growing mails, but in no event can any harm be done, for there is a standing rule that permits the Department to put on whatever number of additional clerks and carriers may be necessary to move the mails and then come to Congress for deficiency appropriations. An instance of this is shown in the present fiscal year, 1941. In the regular appropriation bill for this fiscal year we provided for no additional clerks and carriers. An unexpected increase in the mails necessitated departmental action and the Department, responding to the need, is employing 1,693 more clerks and 746 more carriers this year than last. The situation is one that almost automatically takes care of itself and we feel that so far as this bill is concerned there should be no increase in the limits fixed by the Budget Bureau.

To pay for the transportation of mail by railroads and the personnel of the Railway Mail Service we allowed respectively \$112,000,000 and \$57,400,000. While these were relatively small reductions below the Budget the amount we approved for transporting the mail by rail is \$711,912 above the total of the regular and deficiency appropriation for 1941 and the amount we have allowed for Railway Mail Service personnel in 1942 is an increase of \$282,128 over the combined regular and deficiency appropriations for that purpose in the present fiscal year. While we have thus made provision for transporting and handling increased volume of mail we also have taken into consideration the fact that a good many train services are being abandoned, throwing the mail into the star routes.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from South Carolina.

Mr. HARE. I notice the increase allowed for clerks and carriers. I wonder if that includes village carriers as well. The Department makes a distinction between village carriers and city carriers, the village carriers being confined to smaller third-class or second-class offices. I wonder if that increase applies to the village carriers, as well as to the regular city carriers.

Mr. LUDLOW. The gentleman refers to village delivery service?

Mr. HARE. Yes.

Mr. LUDLOW. I think it has been about 10 years since any additional village delivery service was established. In this bill we carry into effect the full Budget estimate, but it does not increase that service. It is a service that is considered by the Post Office Department to be one that does not especially indicate further expansion.

Mr. HARE. I understand that under the law where the receipts of an office

have reached as high as \$5,000 per annum that office is then entitled under the statute to village delivery service.

Mr. LUDLOW. I should like to correct the gentleman. I believe it is \$10,000 per annum.

Mr. HARE. If it is \$10,000, it becomes a second-class office and then automatically becomes a city service.

Mr. LUDLOW. It becomes a city service after having reached that point.

Mr. HARE. I understand that it is a village delivery service between \$5,000 and \$10,000. There are a number of offices that have reached \$5,000 receipts and have the village service, yet as to an adjoining town or city which did not at the time have the \$5,000 receipts but where in the meantime the receipts have increased to \$6,000, \$7,000, or \$8,000 the Post Office Department still has not provided village delivery service. There is a great deal of dissatisfaction in these towns where they are not provided with village delivery service, whereas a neighboring town with a smaller population and probably a smaller amount of postal receipts is now receiving village delivery service. I am wondering whether or not it is discretionary with the Post Office Department to install village delivery service with this appropriation.

Mr. LUDLOW. I am sure it is. I appreciate the gentleman's great interest in the village delivery service, as so often manifested on the floor of the House. I believe it is a matter that needs to be handled administratively. If the gentleman has any particular cases in mind, he should take them up with the Department, because I am sure they would install whatever service is necessary.

Mr. HARE. That is just the reason I am making the inquiry. I have had this matter up with the Post Office Department, and the Department says it is not establishing village delivery service any more, although in my understanding there is a statute requiring it.

Mr. LUDLOW. I know that is the attitude of the Department toward the village delivery service. It is not as essential a service as these other services, and the Department is not establishing any new services. There are no new services now estimated, according to this bill.

Mr. HARE. Would it be the sense of the gentleman's subcommittee that in making these appropriations they would expect the Post Office Department to carry out the rule as provided by statute?

Mr. LUDLOW. I am certain that is always our attitude on these matters. We expect the Department to follow the law.

RURAL FREE DELIVERY

We allowed for Rural Delivery Service the full amount of the Budget estimate of \$92,100,000. This is an increase of \$260,000 over the current fiscal year. Money is provided in this increase which, coupled with savings from anticipated consolidations, will permit of the establishment of about 60 new routes and about 2,500 extensions. The average cost of a new route is about \$1,250 and the average cost of an extension is about \$100. We have continued in the bill the provision we have carried for several years which directs that not less than \$200,000 of the appropriation for

Rural Delivery Service shall be available for extensions and new service. To carry out the program of 60 new routes and 2,500 extensions in 1942, about \$325,000 will be required, and this amount will be available from the direct appropriation and from savings due to consolidations.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I gladly yield to the gentleman from Michigan.

Mr. RABAUT. I do not like to break in upon the gentleman's explanation of the bill, but of necessity I must go back to a committee meeting at 1:30, and I wish to say to my colleague that I am very appreciative of the fact that I find in the bill, at page 26, \$191,000 for completion of construction of the station authorized by the act approved June 29, 1936, for the Coast Guard on Belle Isle. This is something that has been greatly needed, and I appreciate the attention the committee has given the matter.

Mr. LUDLOW. I thank the gentleman for his observation, and I want to say that this is a matter that has been on his heart constantly. The city of Detroit has a great deal to thank him for in connection with the establishment of the station.

DOMESTIC AIR-MAIL INCREASES

We approved an appropriation of \$21,280,327, the full Budget estimate, to operate and improve the domestic Air Service during the fiscal year 1942. This is an increase of \$840,128 over the regular and two combined supplemental appropriations for the fiscal year 1941. Of this added sum practically the whole amount, or \$829,928.60, is to provide for increases in frequency of service. A table of these proposed increases of frequencies is found on page 254 of the hearings and on subsequent pages will be found elaborate testimony to justify all of these increases. All authorities agree that the subsidy in the Domestic Air Service is being washed out toward the vanishing point. There are two methods of computing the air-mail subsidy. One method is to make a comparison of the payments to carriers with the air-mail postage revenue. By that simple method we find that the domestic air mail came out of the red in 1940 when the air-mail postage revenue was \$19,122,905.61 and the payments to carriers amounted to \$18,678,921.01, leaving an indicated surplus of \$443,984.60. A more accurate method of arriving at the facts, however, is through the Division of Cost Ascertainment, which seeks to ascertain all of the factors of cost in addition to payments to carriers. By the cost ascertainment method the excess of expenditure over revenues in the fiscal year 1940 was found to be \$1,982,085.15. From every standpoint the domestic air mail is proving its worth to our country and growing in popularity, and unless fortuitous circumstances hinder the progress now under way the time is growing near when revenues will exceed expenditures and the service will be on a nonsubsidy basis. The increase in domestic air-mail revenue for 1940 over 1939 was 17 percent, while the increase in expenditure was 13 percent.

Mr. EDELSTEIN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from New York.

Mr. EDELSTEIN. I do not find any provision made for building new post offices. In my district the Government acquired a site for a post office at Seventh Street and Avenue B and paid \$75,000 for it and has an additional allotment of \$125,000 for putting up a building. It is one of the most active districts in the city of New York, and although it has paid that money for the site, it declines to proceed with the construction of the post office. As a Member of Congress from the district covering this area, I recently wrote to the Director of the Budget and he has not as yet answered me upon the subject. I assume that the failure to proceed with constructing the post office is due to using the money for defense activities. I am in accord with using funds for defense as is contemplated by the Budget, but I cannot see why it is that no provision is made to take care of the immediate needs for post offices in localities where they have already purchased the sites. Also where the lack of space causes overcrowding which tends to cause inefficiency and to deteriorate the employees' morale. Where the old post office is located in a dilapidated tenement house, which constitutes a fire hazard. [Applause.]

Mr. LUDLOW. I want to say that I appreciate the gentleman's interest in behalf of his district in connection with this matter, and I can explain it to him, I think, so that he will appreciate the situation.

There was a 3-year public building program and that program was implemented with a lump-sum appropriation, the specific allocations to be made by an interdepartmental committee composed of Postal and Treasury officials. This money has all been allocated. No estimates came before us for an additional building program. It is evidently the purpose of the administration or the Budget Bureau—speaking for the administration—to defer another public-building program until a future time when, perhaps, the defense necessities will subside somewhat and when conditions will be a little more propitious for nondefense expenditures. So the gentleman and his district will have to content themselves, I am afraid, in patience until there is another public-building program, because these appropriations are not made specifically for certain localities but are made in the form of a program and a lump sum is appropriated and the gentleman will have to look to this interdepartmental committee for an allocation from the lump sum of the next public-building program, if and when it comes along.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. BROOKS. I wish to say that I have in my district a case where the land has been purchased, the allocation for the building has been made by the interdepartmental committee, but work has been suspended on account of the national-defense program, and in this particular instance it really is causing a serious hardship on the local people who have

inadequate postal facilities; and the allocation was made out of funds Congress appropriated a year or two ago.

Mr. LUDLOW. I would say that the gentleman's procedure then would be to camp on the trail of this interdepartmental committee. I was not personally aware that there had been stoppages on any projects that were under way. Evidently there has been in the gentleman's case.

PROPOSED NEW YORK-LISBON AIR MAIL

We allowed for the continuance of all going foreign air-mail service on existing routes at present rates of pay without any changes of existing frequencies, but we disapproved an estimate submitted by the Bureau of the Budget for the establishment of an air mail route from New York to Lisbon, Portugal, by the American Export Airlines. This proposal was for the establishment of service of one trip a week at an annual rate of \$1,529,736, which would be at the trip rate of \$29,418 per trip. The Bureau of the Budget arbitrarily cut the estimate \$300,000 and the figure we had was \$1,229,736. There was nothing before us to indicate that the Budget Bureau regarded the trip rate as too high and it was supposed that its cut was made on the assumption of a less than 100-percent record of performance.

No subcommittee ever gave more careful, painstaking, and conscientious consideration to a matter before it than we did to this proposal to establish new air-mail service by a competing line between New York and Portugal. We held no brief for the existing company which has a foreign air-mail monopoly and we certainly have no prejudice against any company seeking to enter the foreign air-mail field. Without any favoritism and without any prejudice, we sought to ascertain where the interest of the United States lies. That was our duty and our purpose.

The Pan American Co., which holds the existing monopoly in all fields of foreign air-mail service, in a formal offer to the Civil Aeronautics Authority, has offered to put on an additional trip service between the same termini as the proposed Export Airlines Service at a cost of \$9,000 a trip. In considering the matter we had to balance that proposal against more than three times the cost of the same service by the Export Airlines Co., namely \$29,418 per trip. In other words, on the basis of a full year of 100-percent performance the Government would pay to the Export Airlines for one trip more than a million dollars in excess of the cost of the same identical service by the Pan American Co., and also considerably more than the cost of three more trips by the Pan American. Knowing that the Pan American service has always been satisfactory, would we be justified in imposing an additional annual burden on the taxpayers of America in order to bring another company into the trans-Atlantic picture and obtain competition? That was the question presented to us.

QUESTION OF NECESSITY OF SERVICE

But it was not the only question. There was also the question as to whether it is

necessary or advisable to establish this additional air-mail service at all. We had before us Mr. John E. Lamiell, director of the International Postal Service, the recognized authority on foreign air mail, and on page 584 of the hearings you will find this testimony:

Mr. LUDLOW. I would like to ask Mr. Lamiell how much of the trans-Atlantic air mail is now being carried by existing facilities?

Mr. LAMIELL. All the mail is being carried.

Mr. LUDLOW. Is the mail being carried on schedule?

Mr. LAMIELL. No, sir.

Mr. CASEY. What is the cause?

Mr. LAMIELL. Weather conditions.

Mr. LUDLOW. The delay is not due to lack of facilities but to weather conditions?

Mr. LAMIELL. Yes, sir.

Mr. LUDLOW. If weather conditions were favorable, would the mails move promptly?

Mr. LAMIELL. Yes, sir; I see no reason why they should not.

Here is expert testimony that when weather conditions permit, the existing service is capable of handling all trans-Atlantic mail.

I think this is important because when a transoceanic carrier is assigned a mail contract he is not paid on a poundage basis but by the trip. Under its proposal for a third trip the Pan American Co. would get \$9,000 from the Government for the third trip, regardless of the amount of mail it carried. It would get \$9,000 if it carried only one letter or no mail at all, and the Export Airlines Co. would get \$29,418 per trip if it carried only one letter on that trip or no mail at all. Our subcommittee, representing the people and the taxpayers, could not dismiss from its consideration the question as to whether additional trans-Atlantic air-mail service is really needed at this time. If it resolved the doubt in favor of the need of the service, it still could hardly reconcile itself to the enormous differential in cost whereby the cost of the same identical service if rendered by one company would be more than treble the cost if rendered by another company. Furthermore, the new company proposed to establish its service temporarily with a two-motored plane and there was a question as to whether it met the factors of safety. Testimony on this point was not very satisfying. All of the flying boats in the existing transoceanic services are equipped with four motors.

VICE PRESIDENT SLATER AN ABLE WITNESS

Mr. John E. Slater, executive vice president of the American Export Airlines Co., appeared before our subcommittee and made a fine presentation of his case. He was ably assisted by Mr. D. P. K. Wood, also a vice president. Mr. Slater explained that the 2-motored plane is only to be used in starting the service and that the company has on order 3 four-engined Vought-Sikorsky large flying boats, the first of which will come into commission next September and all of which will be delivered by the spring of 1942. These planes, he said, will be capable of flying the Atlantic nonstop, with 16 passengers and a substantial volume of mail and express.

The State Department manifested its interest by sending Thomas Burke, Chief of the Division of International Communications, to testify before our subcommittee in support of the American

Export Airlines application. He forecast an early agreement between the American and Portuguese Governments which would assure landing rights in Lisbon for the new company, one of the points in dispute, and he summed up the State Department's position as follows:

Therefore, after careful consideration of the problems peculiar to transoceanic operations, and particularly in view of the fact that it seems reasonable to anticipate intense international rivalry for the establishment of rapid air links between Europe and the Western Hemisphere, it is the considered judgment of the Department that the best interests of this Government would be served through the establishment of a second United States air-transport service between this country and Europe.

WHAT COST COMPETITION?

The main argument strongly pressed by proponents of the estimate was that it would be advantageous to the United States to have competition in this important field of foreign air-mail service but the natural rejoinder was "What cost competition?" Would we be justified in establishing an air-mail service that apparently is not needed for postal purposes and paying for it three times the cost of the same service by the present carrier? It seemed after thoughtful consideration of all of the facts and arguments presented that this was a proposition that might well be deferred without prejudice until some future time. Speaking as one member of the subcommittee I will be willing to reexamine it, if and when the need for the service is clearly shown, if and when approved safety equipment is assured from the beginning of the operation and if and when there is some evidence of agreement to a rate of compensation that would be fair and reasonable and comparable to the cost of similar services. The proposal in the form in which it was presented to us is to my mind impossible and that was the opinion, generally held by members of our subcommittee.

POSTAL METERS

We have provided in this bill an appropriation of \$57,000 to purchase postal meters and postal vending devices. Our subcommittee was much impressed with the serviceability of these metering machines which give a much cleaner accounting of the revenues and a quicker service to the public, and which are especially designed for use in congested mailing centers. Postmaster Vincent Burke, of Washington, a former inspector and one of the best all-around officials in the Postal Service, told us of the great value of these machines in operation at Washington and how they had served to abolish the long queues that used to line up waiting to mail packages. Formerly, he said, customers had to stand in line 35 to 40 minutes with parcels before they could be waited on. This year, with postal meters in use, it was different. He said:

Our observation showed there was no instance where the patron waited more than 7 and at the outside 8 minutes this year, with the use of these machines, and the average was less than 2 minutes. As a matter of fact we received much favorable comment

on it and one poor old lady complained that we rushed her along too much in having her parcels handled.

The postage meter operates like a cash register, attaching an adhesive strip to the package to indicate the postage required. It does away with postage stamps and if in general use probably would result in a large saving to the Treasury on that account.

COTTON VERSUS JUTE

We have included in this bill the same provision in reference to twine that has been carried in the Post Office Department appropriation bill for several years as follows:

Not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States.

The Post Office Department's first experimentation with cotton proved unsatisfactory, but a cotton twine has finally been produced which is pronounced equally satisfactory with jute twine for all postal uses. There is, however, a heavy differential in the cost of the two twines, amounting to 9.6 cents per pound in favor of jute at the last letting and to the further disadvantage of cotton is the fact that the Department has found it very difficult to interest cotton-twine manufacturers in bidding. On the other hand, there is the possibility that disturbed world conditions may at any time make it impossible to find bottoms to bring raw jute supplies from India to the American manufacturers of jute twine. In view of the threat that our importations of jute may be cut off and other considerations that entered into the equation, it was deemed advisable to continue the provision another year, in the hope that some interest may meanwhile be awakened among the American manufacturers of cotton twine, thus stimulating bidding and a resultant decrease in the cost of cotton twine. The Department is figuring on the purchase of about 66 cars of twine in the fiscal year 1942, 50 cars of jute twine and 16 cars of cotton twine. In poundage, this would be 2,000,000 pounds of jute twine and 640,000 pounds of cotton twine.

THUMBS DOWN ON DE LUXE STAMP

We have saved the taxpayers \$100,000 in this bill by the simple expedient that in the future air-mail stamps, instead of being bicolored, shall be single colored, the same as other stamps. Just why an air-mail stamp should be so de luxe and so ornamental to the eye, as compared with the common or garden variety stamps, was not apparent to us. We could see no justification for it, especially in view of the fact that this ornamentation and embellishment would cost the Treasury almost exactly \$100,000 over the cost of a more modest and subdued stamp on the large volume estimated as required in 1942, so we sharpened our pencils and cut out the gorgeous stamp and thus by one stroke saved \$100,000. Bicolored air-mail stamps cost \$1.19 per thousand while the same stamp toned down to one color costs from 24 cents to 40 cents per thousand.

It goes without saying that a single-colored stamp will carry a letter as far and as fast as a bicolored one.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. LUDLOW. Mr. Chairman, I yield myself 20 minutes more.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Certainly.

Mr. COX. Can the gentleman inform the committee what subcommittee of the Committee on Appropriations set up the appropriation providing a feather bed for the little stiff shirt that the Navy Department has assigned to the Hill to take care of the medical needs of the Members of Congress? In other words, this individual, as I understand, has been so taken care of by the Committee on Appropriations that he now draws the pay of an admiral, that he is provided with an automobile and a chauffeur, and has at some time in the past been given a trip to Europe. We need a doctor up here and not a stiff shirt.

Mr. LUDLOW. I am not quite familiar with the jurisdiction over this matter and I am unable to give the gentleman the definite information he requests.

FOREIGN-OWNED PROPERTY CONTROL

In this bill making appropriations for the Treasury Department we carry an appropriation of \$1,250,000 for a new activity known as the foreign owned property control. This is set up for the first time in our regular appropriation bill pursuant to an Executive order issued by the President on April 10, 1940, under the Trading With the Enemy Act of October 6, 1917. The original Executive order applied to Norwegian and Danish property in the United States. On May 10 last the President issued an Executive order which extended the previous order to cover Belgium, Holland, and Luxembourg; on June 17 one to cover France; on July 10 one to cover Latvia, Lithuania, and Estonia; and on November 10 one to cover Rumania. The foreign-owned property control at this time applies to all of the property in this country owned by the governments of these above-mentioned countries and their nationals. The foreign holdings affected by this control amount to the stupendous sum of \$4,369,000,000. It is possible that exigencies growing out of the disturbed condition of the world may make it necessary to extend this property control over still other countries. It is the right of our Nation, a right inherent in sovereignty to protect itself. There might be operations in the time of foreign wars in the way of juggling property in this country that might affect our well-being or conceivably even our national existence, and it was to have mastery of that situation that this foreign-owned property control was set up.

Under a licensing system that has been created for the administration of this control 35 general licenses have been issued and applications have been filed for 91,324 specific licenses for individual transactions, which have been approved in the ratio of about 6 to 1. Of 66,933 applications sent by the originating offices to the Secretary of the Treasury

for attention, 54,776 have been approved and 9,117 disapproved. While foreign governments are not consulted before the control is put on, they have acquiesced without quibbling, which is not surprising, as we are conserving their property at our expense.

MORE PERSONNEL FOR INTERNAL REVENUE

The Bureau of Internal Revenue is the agency that collects the funds to run the normal operations of our Government, and it would seem to be the part of wisdom to implement it with the necessary personnel to carry on with the highest efficiency. When we were considering its requirements there may have been in the minds of some of us the perhaps subconscious idea that it does not pay to maim the goose that lays the golden egg. Congress is constantly imposing new duties on that Bureau by the enactment of new laws, and this requires an expansion of the Bureau's force if it is to function properly. In this bill the Bureau receives appropriations aggregating \$135,618,350, an increase of \$24,291,540 over the current year's appropriation and \$78,600 less than the Budget estimates.

We have approved some personnel increases that are imperatively needed to enable the Bureau to function satisfactorily with its added burdens. The new Revenue Act of 1940, with the broadening of the income-tax base, has tremendously increased the work of the Bureau. Income-tax returns heretofore filed with the Bureau have totaled approximately 7,500,000 a year. It is estimated that because of the enactment of the new 1940 revenue law these returns will be increased by approximately 8,336,000 for the taxable year 1940, or more than double the number previously filed.

We allowed the Bureau 500 additional agents, 167 additional clerk-stenographers to assist the agents, and 127 additional employees for the technical staff field divisions. With this new increment of personnel the Bureau will undertake a more intensive examination of income-tax returns of the higher brackets, which promises to be a fertile field of increased revenue.

In the fiscal year 1940, 644,000 returns of this description were believed to warrant investigation and were referred by the Washington office to the field for that purpose, but 220,000 of these could not be examined with the limited assigned force of agents and were returned to Washington untouched. With the broadening of the tax base, 175,000 more have been added, making a backlog of 395,000 returns that now or soon will warrant examination. Experience has shown that intensive combing of income-tax returns of the higher brackets yields about \$80,000 a year in internal-revenue collections for each agent so engaged. The additional 127 technical-staff employees which we allowed will be of service under the decentralization plan of settling tax claims in the field, which is a convenience to taxpayers. Of the 127 provided for in this bill 74 will be conferees who will sit down with taxpayers in the home communities and try to compose existing differences without compelling the taxpayer to carry his case to Washington.

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FARMING PICTURE IMPROVES

A more favorable picture in the farming areas of our country has justified us in making a reduction in payments to Federal land banks and the Federal Farm Mortgage Corporation on account of the statutory reduction in the interest rate on mortgages. The Congress has decreed that the farm borrowers shall pay only three and a half percent on their loans. The average contract rates on mortgages of the Federal land banks for the fiscal year 1942 is estimated at 4.93 percent, while the Federal Farm Mortgage Corporation loans bear 5 percent.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes; gladly.

Mr. CASE of South Dakota. I have listened to the gentleman's remarks referring to the improvement in the farm area. Does the gentleman have the figures to show that farming conditions throughout the country have improved? The other day I noticed that wheat reached a lower price than it has for months.

Mr. LUDLOW. The only standard of judgment that I have in view here is the standard presented with respect to the better picture of loans made by these two national lending institutions. I shall bring the gentleman's attention a little later to some statistics which bear out the view that the conditions are really improved.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. VOORHIS of California. Did I understand that the \$9,600,000 item in total payment to the Federal Farm Mortgage Corporation is for the purpose of making possible a 3½ percent rate of interest?

Mr. LUDLOW. The Congress has decreed that interest on all these loans under both Federal land banks and the Mortgage Corporation shall be 3½ percent. This appropriation is entirely for the purpose of making up the differential between the contract on the outstanding mortgages, and the rate allowed by the Congress, and is paid into these banks in order to keep their capital unimpaired. That is the theory of it.

Mr. VOORHIS of California. I see; and does the gentleman know what rate of interest the outstanding bonds of the Federal Farm Mortgage Corporation carry?

Mr. LUDLOW. Offhand, I do not know, but I think there is some testimony in respect to it in the hearings.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield to me there?

Mr. LUDLOW. Yes.

Mr. VOORHIS of California. The only point I tried to bring out is that the real root of this payment is the difference between the rate of interest on the outstanding bonds, on the one hand, and the rate paid by the farmers, on the other.

Mr. LUDLOW. I think the outstanding rate on these bonds is a little less than 3 percent.

Mr. VOORHIS of California. It seems to me that this is a remarkably small

sum to make it possible to have a 3½-percent rate.

Mr. CASE of South Dakota. Whether or not this amount that we appropriated is the difference between the three and a half collected and the contract rate of interest on these loans to the farmers.

Mr. LUDLOW. That is correct in both instances.

There is therefore a differential of 1.43 percent in the one case and 1.5 percent in the other case between the contract interest rate and the statutory rate of three and a half percent, and to make up this differential on the outstanding volume of loans we have approved an appropriation of \$36,400,000 which compares with \$38,167,000 in the current fiscal year. The primary purpose of the appropriation is to keep the capital of the banks unimpaired. W. J. Snow, director of finance and accounting of the Farm Credit Administration, in his very interesting testimony told us of improved conditions in the farming areas served by these banks.

During the 12 months ended September 20, 1940—

He said—

the Federal land banks collected \$96,800,000 in cash; the year previous they collected \$88,000,000, and the year before that \$65,000,000. Farmers have paid more on their debts than in previous years.

FORECLOSURES BY LAND BANKS

During the calendar year 1940 the Federal land banks took over 6,400 farms as a result of delinquencies as against 12,000 in the calendar year 1939, so that the foreclosures are down almost 50 percent in the case of the land banks. The Federal Mortgage Corporation revealed a similar satisfactory record.

In 1940 it foreclosed on 4,000 farms as against 8,200 the year previous. It was brought out in the testimony that from the organization of the Federal Farm Mortgage Corporation up to September 30, 1940, that Corporation has charged off as total loss 14,806 second-mortgage loans totaling \$29,700,000. These were mostly loans in the Great Plains region, known as the Dust Bowl, extending clear across the country on the one-hundredth meridian. Mr. Snow testified in explanation of this startling record of losses that back in 1933 and 1934 the Farm Credit Administration construed that it had a mandate from Congress to do the best it could to save farms from foreclosure and to keep the farmers on the land. It accordingly loaned up to 75 percent of the appraised value, and then came the drought, and the farmers became financially helpless. There was nothing the Government could do but charge off these losses at 100 percent.

BABY BONDS

United States Savings Bonds, otherwise known as baby bonds, have an important place in the financial operations of the Treasury, and in this bill we have raised the restriction upon the indefinite appropriation "Expenses of loans," from \$4,000,000 to \$4,292,000, to care for the increased volume of work incident to the sale, issuance, and redemption of these bonds. The Treasury Department is inclined to the use of superlatives in appraising the value of "baby

bonds" not only as a means of inculcating among the people a patriotic appreciation of their Government but also as a prolific source of revenue. James William Bryan, Chief of the Information Section, Division of Savings Bonds, told our subcommittee:

Savings bonds are playing an ever-increasing, important part in this country. These bonds are bought as a nucleus for every purpose for which people save money. They are bought for the education of children and for future needs of all kinds, for payments on homes, and so forth. Literally, their terms and conditions are understood by millions, and I would say that the public is highly satisfied with them.

These bonds are issued in denominations of \$25, \$50, \$100, \$500, and \$1,000, and some consideration is being given to the issuance of a bond of even less denomination than \$25. The present estimated number of individual owners of these bonds is 2,500,000. The maturity value of all such bonds outstanding at the end of the calendar year 1940 was \$4,106,501,675, and the redemption value at the same date was \$3,194,792,667. About 80 percent are sold through the Postal Service and about 20 percent on mail-order service, mostly through the Federal Reserve banks and to some extent through the Treasury. A \$25 bond costs \$18.75, and if a bond is held until maturity at the end of 10 years the yield figures 2.99 percent, compounded semi-annually. Savings bonds are the only securities which are continuously on sale by the Government.

LIBERAL APPROPRIATIONS FOR COAST GUARD

In this bill we have dealt liberally with the Coast Guard, having in mind its function in time of war as an affiliated part of the Navy. Because of the urgency of national defense and the importance of the Coast Guard in relation thereto, we have allowed large increments of increase both of personnel and equipment. These are set forth in extenso in the report on this bill. Eliminating from the 1941 Coast Guard appropriations the nonrecurring construction and equipment items, and comparing that base with the total 1942 figure, including 1942 nonrecurring items, this bill shows an increase of \$18,959,440 in direct appropriations plus a contract authorization of \$6,370,000. The total amount carried for the Coast Guard in the bill is \$62,193,150. We have allowed for additional equipment such items as \$5,000,000 to begin the construction of three new cutters of the 327-foot class, \$663,000 for 17 amphibian airplanes, \$728,000 for 2 vessels of the tug class, \$780,000 for 10 cutters of the 78-foot class, \$1,385,000 for 4 cutters of the tender class, and \$1,500,000 for aids to navigation.

COAST GUARD

The primary radio station for the Boston district was recently summarily dispossessed of its quarters at Fort Heath, where it had a revocable permit from the Army, and in this bill we are setting it up with a new site, building, and equipment near Boston, at a cost of \$218,000. Another major item of necessary increase in Coast Guard appropriations is \$1,500,000 for installation of searchlights, supersonic depth finders, anti-air-

craft machine guns, two-way portable radios on cutters not so equipped, and the purchase of gas masks and gas equipment for a number of vessels of the fleet. The increased personnel which we have allowed the Coast Guard includes 110 commissioned officers, 54 cadets, 127 warrant officers, and 1,000 enlisted men.

MORE CUSTOMS GUARDS ALLOWED

Spokesmen for the Customs Service told us impressively of weaknesses in its guard force, and we have provided for 60 additional customs guards, with a salary roll of \$111,600, to be assigned to important ports to guard vessels arriving in the United States from foreign countries. Obviously, a vessel which should be guarded at all should be guarded continuously 24 hours a day. At many of the ports where a force of guards is maintained, the number is not sufficient to provide continuous guard supervision over vessels. At these places vessels are guarded from 8 to 16 hours out of each 24, leaving from 8 to 16 hours for the smuggler to accomplish his objective unmolested. The increment of increase of guard personnel we have allowed will improve but will not entirely cure this situation.

NEW STATISTICAL DIVISION

In the Procurement Office of the Treasury Department we have authorized the setting up of a new statistical division, with a personnel of 84, a salary obligation of \$121,900, and an equipment obligation of \$31,377. The purpose of this new unit will be to gather factual information from all of the far-flung governmental branches and bureaus looking to a simplification and coordination of Government purchases. The testimony of Clifton E. Mack, the Director of Procurement, as to the imperative need of this new fact-finding agency was very impressive, and we have faith to believe that it offers a possibility of very substantial economies, as well as a far more satisfactory way of handling the Government's purchases. The major function of the division will subside when the material is gathered, so that after the next fiscal year it probably will be necessary to maintain only a skeleton organization at a much reduced cost.

REFUNDS AND DRAWBACKS

In connection with both internal-revenue refunds and customs refunds and drawbacks, there were presented to us some earnest pleas that these refunds be allowed to revert to the status of indefinite appropriations instead of being appropriated for annually in specific amounts. The importers were very ably represented before our committee by B. A. Levett, chairman of the committee on customs administration of the Merchants' Association of New York; W. S. Easterly, chairman of the committee on refunds and drawbacks of the National Foreign Trade Council; and Francis T. Cole, secretary of the committee on refunds and drawbacks of the National Foreign Trade Council.

The burden of the argument of these gentlemen, who represented a considerable number of aggrieved persons, was that specific appropriations for refunds and drawbacks usually are not sufficient;

that the money therefore runs out, and that those who are entitled to the refunds have to hold the bag and suffer financial loss and impairment of their working capital while awaiting the slow process of securing a deficiency appropriation.

TO PRESERVE INTEGRITY OF APPROPRIATING SYSTEM

Our subcommittee recognized the fact that occasional hardships are inescapable in the present arrangement, but it felt keenly the obligation resting upon us to protect the integrity of our appropriating system. To make refunds and drawbacks indefinite appropriations would remove them from our appropriations picture, where the watchful eyes of the Appropriations Committee are always upon them. It was our feeling that the submission of estimates and the action of Congress thereon in the customary way probably would be conducive to a little more careful administration of the law than if these restrictions were removed, and we felt it to be our duty to deny the request. Incidentally one of the unexplainable injustices of the Government's attitude toward its citizens is that while internal-revenue refunds bear interest at the rate of 6 percent, customs refunds and drawbacks bear no interest at all. Just why a citizen to whom an internal-revenue refund is due should be allowed interest while a citizen to whom a customs refund or drawback is due is denied interest is not clear. I submit this problem for the consideration of the legislative committee having jurisdiction in the premises.

With its vast army of employees, now rapidly approaching 300,000, the United States Postal Service is by far the largest business in the world. The United States Treasury Department also is a large organization with far-reaching ramifications. In trying to discuss the great multiplicity of these varied services and how they contribute to the convenience, welfare, and happiness of the human family I am penetrating a very interesting field and I am tempted to go on interminably. However, I must close, and in doing so I wish to say that we commend this bill to your thoughtful attention. We believe it is a well-considered bill and we hope, at least, that it will appeal to you as a reflection of our sincere purpose to do the right thing in all the decisions we have been called upon to make. I refer you to the very complete committee report for more detailed information and I thank you for your patience. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that I may proceed for 2 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HAINES. I have listened with a great deal of interest to the gentleman's fine statement, and I compliment him on what he has said. I was not in the Chamber when the gentleman began his address, having been called out. Did the gentleman give any consideration or

make any allocation for additional funds for extension of the rural routes?

Mr. LUDLOW. Oh, yes. We allowed the full Budget estimate, and it provides for the extension of 2,500 rural routes and for the establishment of 60 new ones. We put funds in this bill for that purpose.

Mr. HAINES. Of course, you know those of us who represent rural districts are quite concerned about that service. Now, you spoke about the Air Mail Service.

Mr. LUDLOW. In this connection, let me say I appreciate the fact there is no better friend of rural free delivery in the House than the gentleman from Pennsylvania [Mr. HAINES], and I want to assure him that we allowed the full Budget estimate for rural delivery, and we made this liberal provision for new routes and expansions.

Mr. HAINES. I thank the gentleman very much. That is a tribute that I do not deserve, I am afraid.

I was wondering if you could put into the Record the amount of mail, in pounds, that is carried on the trips to Europe. I was speaking with the Second Assistant Postmaster General and he told me there was as much as 11,000 and 12,000 pounds of air mail going out on one ship.

Mr. LUDLOW. That, I think, would be the peak. There have been loads of that amount. I would refer the gentleman to our report, which goes extensively into those figures.

Mr. HAINES. The gentleman will pardon me for taking up his time.

[Here the gavel fell.]

Mr. HAINES. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HAINES. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. HAINES. In your report you define postal equipment as vending devices. Are there any vending machines retailing stamps being put out?

Mr. LUDLOW. Yes; there are. We have put into this bill \$57,000 to cover two brackets; that is, vending machines and postal meter machines. We do not attempt to allocate a specific amount to either purpose, but we put in that amount to be administered within the discretion of the Post Office Department for those two classes of machines.

Mr. HAINES. I am glad the committee saw fit to do that, because in many of the smaller first- and second-class offices the offices close at 2 o'clock in the afternoon and it is a source of great inconvenience to the public in purchasing stamps. I hope that the Department will recognize what I am saying to them, to see that these vending devices get into our smaller offices for the convenience of our public.

Mr. LUDLOW. I am sure the Post Office Department is going into that matter very thoroughly. It is very much interested and we have implemented it with a fund of \$57,000 to carry on that experimentation.

Mr. HAINES. I agree with the gentleman that the Post Office Department is doing a splendid job and the personnel in

that Department I think is superior—perhaps I am exaggerating the statement, but to me that is one department of the Government that is doing a splendid job.

Mr. LUDLOW. I am in harmony with what the gentleman has said. If all of our Government departments and bureaus were administered with as much acumen and business ability as the Post Office Department, I do not think any of us would have any cause to complain.

Mr. HAINES. I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. KEEFE. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. RUTHERFORD].

Mr. RUTHERFORD. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. VREELAND] be allowed to extend his own remarks in the Record.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I feel I would be extremely derelict in my duty this afternoon if I did not pay some well-justified and merited tribute to the gentleman from Indiana [Mr. LUDLOW], with whom I have the privilege of serving upon this subcommittee. He has uniformly been kind and considerate and is an indefatigable worker in trying to bring to the Congress a report and hearings that will be of real benefit not only to the Members of the Congress but to the people of the country who are interested in these two great departments of government. [Applause.]

I want to commend to the membership of the House a reading of the hearings conducted by this subcommittee, because I conceive that a fair understanding of the Government is not possible unless the membership of the House can take the time to at least make casual examination of the facts disclosed in this committee's report of hearings which is now before you. Those hearings are a veritable storehouse of information, and I am exceedingly pleased that I have been permitted to serve with the other members of this committee, because I cannot believe that in any other way it would be possible to acquire a knowledge of these two great departments of our Government.

This bill has received the most meticulous care and consideration of the committee. The committee was in session for several weeks, taking testimony every day in order that we might perform our proper function. The bill, as finally reported, carries a total appropriation of approximately \$1,146,000,000. Now, that is a pretty sizable sum of money in anyone's country. As one of the newer members on the Appropriations Committee and this subcommittee, I am somewhat amazed at the intricacies of Federal financing that are disclosed in the hearings and justifications had before this committee, to justify such a tremendous appropriation as \$1,146,000,000.

At the outset permit me to say that these hearings have all been conducted harmoniously, that unanimity of senti-

ment has always prevailed. No partisanship has ever been manifested to my knowledge on this committee, and there is no dispute or no partisanship so far as I know in regard to any particular item involved in this bill. The Post Office Department and the Treasury Department are service organizations, and I think it is well to iterate and reiterate the fact that we are faced constantly on these appropriation bills with the question of their size. If there ever is to be a time in the history of this Nation when there will be a balance of the income and revenues with the outgo, it will only be brought about by this Congress. That is the duty of Congress. I might call your attention to the fact that the Secretary of the Treasury himself, when a witness before the committee, expressed the very fervent hope and plea that we would be able to bring the civil expenditures of government, plus the ordinary operating expenditures of the Army and the Navy, into line with our revenues. He very clearly and definitely indicated to this committee and to the country that unless the Congress, through appropriate action, should either through curtailment of expenditures or through increase of taxes bring the expenditures for civil affairs into balance with the revenues that we are indeed headed for a very, very sorry state of affairs. I believe everyone knows it, and I believe the Secretary of the Treasury, above all persons in the Government of the United States, knows and understands this fact.

Here is the second appropriation bill to come before the Congress providing appropriations totaling more than \$1,000,000,000. This bill carries something more than \$1,149,000,000. Out of this huge consideration for these two great Departments of the Government we have succeeded in reducing the expenditures of these Departments which are most vitally concerned with the civil affairs of the Government by only \$3,745,000, or a little more, under the expenditures for the last fiscal year. We succeeded, through lopping off small amounts here and there, in bringing in a bill \$8,979,000, approximately, below the Budget estimate for this year. Out of an appropriation of \$1,149,000,000, therefore, we have succeeded in effecting a saving in the civil branches of the Government of approximately \$3,000,000, which is not a flea bite on the situation.

Now, let me explain—and this is the reason I have taken the floor—the thing that impressed me most in connection with the work members do on this committee. As a new member of the Appropriations Committee, I am not critical of the work of the committee. The committee does the best it can, but the Appropriations Committee is frequently criticized, and I think very unwisely and unreasonably many times, during the process by which these appropriation bills reach first the subcommittee and then the full Committee on Appropriations. Beginning at page 67 of the hearings, and especially on page 69, you will find as a result of my interrogation of the witness a full and complete story as to how these departmental estimates and budgets are conceived and worked out, filtering their way from the departmental committees,

finally coming before the Budget Bureau itself, and then submitted by the Budget Bureau through the President to the Congress, and then to the Committee on Appropriations. Members of committees frequently stand on the floor and say, "If you will turn to page so-and-so of the hearings you will find that so-and-so testified so-and-so." Who are these witnesses, then, that appear?

Mr. HOOK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOOK. Mr. Chairman, the gentleman from Wisconsin is making a very fine speech, but I think he ought to have a quorum. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting.) One hundred and two Members are present, a quorum.

The gentleman from Wisconsin will proceed.

Mr. KEEFE. Mr. Chairman, continuing the thought I was about to express, it resolves itself in the main as to who are the witnesses who appear before the Appropriations Committee. I have the greatest respect and admiration for the ability of members of the Appropriations Committee, but by the very nature of things we cannot be vital experts on all of the affairs of government, nor all of the affairs connected with either the Treasury or the Post Office Department. Who are the people who come here to ask for these appropriations and testify? Usually they are heads or officers of departments. They come here to justify their requests for appropriations and they present the committee through their auditors and personnel directors and through Budget officers that which is in their files. What does the Appropriations Committee have on the other side of the picture? We are trying a lawsuit without a witness, with no affirmative evidence. Just the sheer work of the members of the committee, who out of their ingeniousness, or art, or whatever it may be, may through questioning or study happen to stumble upon something in the course of the hearings that perhaps would justify a cut in an appropriation. If it is not the result of that, it is a simple unartful rule of thumb cut of an appropriation merely for the purpose of showing that a cut has been made somewhere along the line.

There is not a single witness who comes before our committee at least, or any subcommittee of which I happen to be a member, who owes his responsibility to this Congress or to the committee that is passing upon the request for appropriation. We have no expert auditors to challenge the testimony of these people who come before the committee. We are not provided with experts, such as the departments send to justify their requests of the Congress. The committee simply has to do the best it can, and I marvel at the ingeniousness of the members of the Appropriations Committee, who through mere hard and steady work are able to make any cuts at all in these appropriation bills.

I am making this statement for the reason that the chairman of our committee reiterated when we began the hearings the wish and will of the President

that there should be retrenchment in the expenditures of the civil affairs of the Government in order that we might carry on the defense program. The Secretary of the Treasury, in appearing before this committee, iterated and reiterated that thought; and the members of the committee, with that in mind, examined carefully every single item in these two bills, with the net result, with nothing else to justify us, we were able, out of an appropriation of \$1,149,000,000, to save about \$3,000,000.

I think it is high time, Mr. Chairman, that some action was taken by the Committee on Appropriations itself or by the Congress in order that in this forum before the various subcommittees of the Appropriations Committee there may be someone who has the ability to examine these justifications and these estimates through the eyes of the people instead of always through the eyes of those who are seeking the money and making justifications for their estimates. I leave this thought with you for consideration when you are criticizing the Appropriations Committee, because I want you to realize how difficult the task is of making a cut when you have no justification before you except the testimony of those who are seeking the funds. I hope that I make myself clear in that respect.

Mr. LUDLOW. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. LUDLOW. The gentleman, I know, does not intend to make a misstatement, but he stated that the total cut on the bill was only \$3,000,000?

Mr. KEEFE. No. I stated that the cut over last year's estimate was \$3,745,000, and that the reduction over the estimate submitted by the President was \$8,000,000 plus. That is contained in the committee report, and I was reading from the report.

Mr. LUDLOW. I misunderstood the gentleman.

Mr. KEEFE. What I attempted to show was that after all our efforts, while we have by our work reduced the Budget estimate by a little over \$8,000,000, we are only cutting under last year's expenditures three-million-odd dollars; so we have not made much of a saving over what we spent last year. And, Mr. Chairman, if we are to save this Nation, we must either fearlessly levy taxes or stop spending money some place in these civil affairs of Government. [Applause.] That is all there is to it. If we do not do that, as the Secretary of the Treasury himself, in a very melancholy mood, as I observed, indicated, no one can foresee or foretell what the financial position of this country will ultimately be. [Applause.]

Mr. Chairman, these appropriation subcommittees have no scientific method of making reductions, and I want to leave for your consideration this afternoon the thought that without the benefit of scientific information from the people's side in the consideration of appropriation bills I can see nothing left but sometime, somewhere in the consideration of these appropriation measures, the people will have the courage either to provide a scientific method of reducing these civil ex-

penditures of Government or the Congress will arbitrarily say to a Government department: "You had a billion dollars last year. This year you are going to have \$750,000,000, and you will run your department on that money."

We must bring the expenditures of Government in civil affairs within the balance of our income. I hope the time will come when the Appropriations Committee will provide itself with an independent staff of experts who can go over these estimates and furnish some help to the magnificent work that is done by the secretary of that committee, Mr. Marc Shields, and his assistants, who work night and day trying as best they can to give this committee the information that will permit it to fulfill our tasks as we see them.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. I am fearful of these scientific investigations. The brain trust has cost us money every time it went into action. In my opinion, it will take some farmers from county seats to do it.

Mr. KEEFE. Perhaps the gentleman from Kansas and I may be in complete accord, but may I say it will take something more than ordinary farmers from county seats to unravel the intricacies of one of these appropriation bills. I do not claim I am much more than a farmer from a county seat, and I have ordinary, common intelligence. I have indefatigably applied myself to these hearings and this Budget, and anybody who claims they can understand and know about it when he gets through is patting himself on the back in a manner I do not think makes sense. I confess my inability to follow this thing through; and were it not for the fact we have a chairman who has the courage and the ability to stick to it night and day trying to fathom through these endless and multiple details of one of these bills, I do not know how in the name of conscience we would ever get the true facts brought before the Congress. They are just too big and too huge.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, the bill before us today represents a splendid effort on the part of this committee, functioning in the usual manner that committees function in the Congress, to bring to the Congress a bill, a very, very highly technical bill, covering a multitude of departments and agencies of our Government. We have done the best we can in our limited capacity to bring the expenditures of this Government down, and when I make that statement I know I am reiterating the challenge which the chairman of this subcommittee repeatedly gave the committee all during these hearings; I know that I am reiterating the spirit of every departmental head who came before our committee and who stated unequivocally that we must succeed sometime in reducing these expenditures of government.

We just cannot go on, Mr. Chairman. We have been riding on, and we are right up to the pay day now where we had to

increase the debt limit to \$65,000,000,000. There are people in this Congress and in the country at large who can speak glibly of \$65,000,000,000 as though they knew what they were talking about. It is an inconceivable sum. We glibly speak here of appropriating \$1,149,000,000 this afternoon, and there is not a Member on this floor who has the mental capacity to encompass the magnitude of that sum even, to say nothing of the \$65,000,000,000.

I agree with the gentleman from Kansas, it is time we begin to put our minds back and talk in sums of money and appropriate sums of money that the people of this Nation can understand. Let us have the courage to go out and enact a tax bill that will begin to produce some revenue, and when the people become tax conscious and when they become aware of this tremendous continuation of deficit spending, they will rise up and demand of the Congress that we bring our civil expenditures of government into line with our revenues. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDELSTEIN].

FALSE ECONOMY

Mr. EDELSTEIN. Mr. Chairman, ever since I have been a Member of this House I have voted to support every bill intended to promote our national defense. I have also felt, however, that national defense did not require a sacrifice of those measures which were intended for our domestic well-being. I cannot justify the vigorous efforts that are being made to reduce legitimate and necessary governmental expenditures on the ground that economy is necessary everywhere else in order to further our national defense. It seems to me that the decision as to whether or not certain projects, improvements, or programs are to be continued should be made solely upon their merits. Only where the requirements of national defense cut across the necessities of the regular Budget should the latter be sacrificed. I do not believe that the question of cost alone shows a conflict with the national-defense program. A conflict between the national-defense program and the regular Budget, in my opinion, can only arise with respect to materials and men. The wealth of our country is not so limited that the only way we can provide an adequate national defense is to starve every other function of the Government.

FALSE ECONOMY IN DELAYING THE NEW TOMPKINS SQUARE POST OFFICE

I have in mind one instance in my own district which illustrates this tendency to false economy. The Tompkins Square post office has been housed in an old tenement for 33 years. It is no exaggeration to state that it is a fire trap. If a fire were to occur, there can be no doubt that the records of that post office for the last 50 years would be destroyed. The place is entirely inadequate for the business which the post office does there. It is

one of the largest postal-savings depositories in the country. There are 50 men employed there as clerks and letter carriers. The Honorable Albert Goldman, postmaster of the city of New York, has long recognized the necessity and desirability of housing the local post office in a place adequate for its needs. He has spent much time and effort in an endeavor to achieve this need.

After much persistent work on his part an appropriation was finally made for a new post office at Tompkins Square. Mr. Goldman secured an appropriation of \$200,000 to purchase land and erect a building designed for post-office use. The land has already been purchased at a cost of \$75,000. There is no intention by the Public Buildings Administration at the present time to go ahead with the construction of the building, although the need for it is greater than ever. This is because the Budget Director issued an order that all nondefense building projects outside the District of Columbia, not already begun, were to be held in abeyance. The remaining \$125,000 of the appropriation which Mr. Goldman secured is thus tied up in the Treasury. It is true that that \$125,000 has not been expended, and if the order of the Budget Director is not revoked will not be expended, since there is no provision in the appropriation bill for next year for the construction of this building. But what seems to be an apparent saving of \$125,000 in reality is a waste of much more than that.

As I have said, the station has been housed for over 33 years in a dilapidated tenement house at Twelfth Street and Avenue B in the Borough of Manhattan. It occupies the basement, first and second floors of the building. Almost 40 percent of this space is in a dark basement. Obviously since the building was intended for dwelling purposes it is not the most efficient for post-office use. The site for the new building which has already been purchased is at Seventh Street and Avenue B, and the post office was to have been erected on a lot 100 by 130 feet at a cost of \$125,000. The Government would have had a two-story and basement building with 15,000 square feet of floor space above the street level, in addition to extra space in the basement.

The figures which conclusively demonstrate that the refusal to build the post office which Mr. Goldman has proved is so urgently needed are fairly simple and can be grasped by even the layman. On the money side alone the construction of a new building will constitute a saving to the Government of over \$6,000 per year. Since the rental of the present space is \$6,600 per year, this is a considerable saving. Since the Government, in the new building, will have 50 percent more space than it has at the old station, it has obtained additional space which is urgently needed without any additional cost to it. If the cost of the project is charged off at the rate of 2 percent, it would cost the Government \$4,000 a year for 50 percent more space as against \$6,600 a year rent for the present inadequate space. If the Gov-

ernment would rent additional space at the same rate it would have to pay \$3,400 a year more. The saving therefore is \$6,000 a year, which would justify an investment three times more than the Government is now called upon to make. The present rental alone is sufficient to justify an investment of \$330,000. In short, by going ahead with the building as planned, the Government would save \$130,000. By refusing to go ahead with this project, instead of saving \$125,000, the Government is sustaining a loss far in excess of that amount.

There is another reason why this post office should be built now. The location of the present station is one which is neither conducive to the health of the workers nor to efficient service to the patrons of the station. Postmaster Goldman, despite the fact that he is in charge of our largest post office—New York and Bronx—has not overlooked the importance of these factors. As an efficient and able postmaster, he is desirous of giving his employees proper working conditions.

Let no one forget that post-office employees are engaged in hard work. Letter carriers walk long distances carrying heavy bags of mail. Even the clerks at the station are engaged in the performance of meticulous and exacting duties. Mr. Goldman, in recommending this post office, did not forget his obligations to his subordinates. Furthermore, as an efficient postmaster, Mr. Goldman wishes to increase the service he can render to the public and thereby make the post office more self-sustaining than it is at present. He has been working under great handicaps insofar as this local post-office station is concerned. Since the remedy he proposes, the construction of this new building at a cost of \$125,000, is inexpensive and will provide the proper cure, it should be carried out without delay.

Much of what I have said about the need for the new post office in my district has been garnered from my own personal knowledge, as well as from inspecting the station. Much more, however, has been gathered from Mr. Goldman himself, who, despite his manifold duties, has always been able and willing to furnish me whatever assistance and information lay within his power. He has given freely of his time and has continually made available to me the services of his subordinates who are in charge of this matter. Mr. Joseph Willon, who is superintendent of the division of delivery under Mr. Goldman, has similarly been of great assistance to me, as well as Superintendent Cannold, who is in charge of the Tompkins Square Station. In my long experience in the civic affairs in my community, as well as my 1 year's experience as a Congressman, I have not encountered any public officials who showed a greater interest in the project under their control or who manifested greater willingness, courtesy, and desire to be of assistance than Postmaster Goldman and his able assistants. In addition to talking to Mr. Goldman, I have also communicated with the Director of the Bureau of the Budget as to this improvement.

On January 31, 1941, I wrote him the following letter:

JANUARY 31, 1941.

MR. HAROLD D. SMITH,
Director of the Budget,
State Department Building,
Washington, D. C.

DEAR MR. SMITH: This letter is addressed to you on behalf of the people served by the Tompkins Square Station of the New York City post office, which is situated in the congressional district I represent. I am interested in having the Bureau of the Budget report favorably on the appropriation intended to provide this area with a new station which will properly serve it. This project is a necessary one because it will provide proper postal facilities, furnish better postal service, improve employee morale, and save the Government over \$6,000 per annum.

This station is now and for over 33 years has been at Twelfth Street and Avenue B, Borough of Manhattan, New York City. It occupies the basement, first and second floors of an old, unsanitary, and dilapidated tenement house. For the 9,059 square feet occupied the Government pays a yearly rental of \$6,600. Almost 40 percent of this space is in a dark basement. This building was never intended and is not suitable for post-office use.

With the passage of the years the space has become more and more inadequate for its present service area. The lack of space causes overcrowding which tends to cause inefficiency and to deteriorate employee morale. The station has average annual receipts of over \$140,000. It is one of the largest Postal Savings depositories in the system, having over 7,500 depositors with \$4,300,000 on deposit. Fifty-nine men are used for clerical work and mail delivery.

The station is not only improperly located in its present district but has helped perpetuate an unhealthy condition in the large district south of it, station B. The Tompkins square station is too near its north boundary, while station B is too near its south boundary. With the new location at Seventh Street, a slice from the north side of station B can be added to Tompkins Square, leaving that station in the center of a somewhat larger district, but properly equipped to serve that district. This entire situation and my strong feeling on the subject are in no way intended to reflect on Postmaster Albert Goldman, New York City's able postmaster. He inherited it and in his usual efficient way has made the best of it. I feel certain that except for his efforts the present conditions would be even worse than they are and the need for a new station would be even more pressing than it is now.

Not only will the new station provide enlarged facilities and improved service but it will reduce the cost of service in the area, comparatively and in gross.

The new site, which is 100 by 130 feet, will have a two-story and basement building erected on it, with 15,000 square feet of daylight floor space above street level, in addition to extra space in the basement to take care of future needs. Even if the entire cost of \$200,000 for the acquisition of the land and the construction of the building is charged against the 15,000 square feet, there is this saving: At 2 percent, which is more than the Government pays for its money, the project will cost the United States \$4,000, as against \$6,600, or a net saving of \$2,600 per year. Since there is over 50 percent additional space, which at the present rental would cost the Government about \$3,400 per year, the total saving is \$6,000 per year, or almost the present rental. This would justify an investment three times as great as the United States is making. The present rental would justify an investment of \$330,000.

The savings to the Government if and when the station is erected are obvious. The

need for appropriating now the \$125,000 needed to erect the building is equally apparent. The land, at a cost of \$75,000, is being purchased from two landowners. The transaction will soon be closed. If a building is not immediately constructed, the United States will then be paying \$8,100 per year for an inadequate and unhealthy post office while this site will be lying idle. The savings from the new building, expressly designed and constructed for post-office use, will amount to even more, since it will increase the efficiency and morale of its employees.

I urge you therefore to report that this item of \$125,000 for the construction of a new post-office building at Seventh Street and Avenue B should be included in the Budget. To eliminate this item at this time would be false economy, since the Government would have an idle investment, would be paying rent for unsuited, unhealthy, and inadequate space, and probably would have to rent additional space elsewhere. Approval of this item represents a conservation of the Nation's resources in the present crisis.

For these reasons I do not believe that your order of November 23, 1940, ordering deferment of all uncontracted-for public-building projects outside of the District of Columbia should act as a bar to the construction of a new post office for the Tompkins Square district.

I trust that your reply will enable me to give a favorable report on this matter to my constituents.

Sincerely yours,

M. MICHAEL EDELSTEIN.

I have not as yet received a reply. I trust that when the Director of the Budget has finished his careful study of this matter and given it the consideration it requires, he will see that the construction of the new Tompkins Square post-office station is a matter which should not be delayed but should be carried out as originally planned.

It seems to me that Congress in making appropriations for the coming fiscal year will not be fulfilling its duty if it slashes all expenditures not connected with national defense on the plea that such functions must be reduced as far as possible. It seems to me also that the Budget Director in considering expenditures to be made under the Budget should not restrict expenditures which if made will really constitute an economy simply because they have no direct relationship with the national defense. I hope and trust the Budget Director will take this fact into consideration. [Applause.]

MR. BROOKS. Mr. Chairman, will the gentleman yield?

MR. EDELSTEIN. I yield to the gentleman from Louisiana.

MR. BROOKS. I have a similar experience in my congressional district, where I believe it is false economy, perhaps, not to proceed with the building of this office. The office is not large enough to accommodate the patrons, and at times they have to stand out in the rain or in bad weather waiting their turn to get into the office.

MR. EDELSTEIN. I am very pleased that the gentleman from Louisiana has mentioned a similar instance in his district of such false economy in connection with a post office. I firmly believe that if my colleagues were to canvass their own districts, nearly all of which have a larger geographical extent than mine, they would find that similar conditions

exist, which should be taken care of without delay.

FALSE ECONOMY IN W. P. A. APPROPRIATIONS

Last year there was urgent insistence that it was necessary to economize and balance the Budget. No one who last year talked of economy this year opposes the expenditures for national defense, and I do not deem it inconsistent for them to do so. It seems to me, however, that those who last year, on the grounds of economy, opposed expenditures necessary for the general welfare of the people of this country, this year are opposing such expenditure on the grounds of national defense. Now, just as then, it seems to me that that is false economy. I am heartily in accord with all the appropriations intended to strengthen our national defense, but I do not believe, and no case has been made out to sustain the contention, that national defense requires the elimination of those projects of the Government intended to provide for our civil population. Today I was one of the small minority in the House which voted in favor of the amendment offered by the gentleman from California [Mr. VOORHIS] to raise the W. P. A. appropriation to \$460,000,000 until July 1, 1941. The opponents of that amendment all through the debate stated it was necessary to retrench because of the huge expenditures being made for national defense. But at no time did they show that there would be insufficient funds for both national defense and the W. P. A. appropriation, which is now relatively insignificant. They also contended that W. P. A. is unnecessary because the national-defense program would provide work for the unemployed. I challenge that statement.

The defense program for the most part will offer jobs only to skilled workers. Those jobs can be had only where defense contracts have been awarded. New York, because of its situation, will receive little benefit from the program. True, it has the Brooklyn Navy Yard, but employment there has not increased so as to absorb many of the unemployed. Most of the defense contracts have gone to airplane factories on the west coast, to steel mills, and to heavy industry and to shipyards. New York is a commercial city, and most of its people are not skilled in industries essential to national defense. There is in New York, therefore, just as much unemployment as before the national-defense program began, and New York will receive less benefit from it than any other large city. W. P. A. is needed now as much as ever before to take care of the several million unemployed who will not fit into the defense program.

The theory for now cutting W. P. A. so drastically is that as the defense program gains momentum and reaches its height, it will rapidly reduce and then end unemployment. This is an idea to which I cannot subscribe. Those who sincerely entertain such a notion are deluding themselves with fancy, not fact. Even in England, with a huge army awaiting an imminent invasion and conducting a top-speed defense program, now at its apex, there are still 800,000 persons

registered on the unemployment rolls. Knowing my district and county so well, that fact, even apart from my common sense, warns me that I cannot tell my constituents that the national-defense program, not the W. P. A., is to be their source of relief.

Daily many of my constituents come to see me, either here or in New York. They are the unemployed who have not been on W. P. A.—the young people just out of schools, anxious to find work, get married, and raise families. They want work. The newspapers tell them that people are needed for defense jobs. Many of them have taken civil-service examinations and stand high on the list but have been given no jobs. The only place I can send them is the Brooklyn Navy Yard, to which I have already referred. They go there and stand many weary hours in long lines to get application blanks for the few jobs that are open. They fill these out and wait. But there are not many jobs. In addition, many of my constituents cannot get defense jobs because they are too old or they are not skilled mechanics. To them the defense program is an unfulfilled promise, so long as they cannot get jobs. And many of them probably never will be directly employed on the defense program.

W. P. A. was intended to provide work for those willing and able to work but for whom private industry had no jobs. It was felt that the unemployed, instead of receiving the respect-destroying dole in idleness, should and could be employed in work which would be of public benefit, until such time as they could be absorbed by private industry. The money they earned would help maintain the purchasing power of the country. Those purposes are still valid today and we should avoid any ill-advised haste which would prematurely diminish the size of W. P. A. Reductions in W. P. A. should be made on the sole basis that there are less people in need of work relief, not because we have a defense program which cannot absorb all the unemployed.

Right now there are 1,000,000 more people qualified to go on W. P. A. for whom the defense program has no room, because they lack the requisite trade or craft skills or because they have reached an age at which private industry will no longer hire them. This is also true of many, if not most of the people now on W. P. A. In only a relatively few instances have age restrictions been eased by private industry under the defense program, and there certainly is no general trend in that direction. Unskilled men can find no place in defense industries. Yet there can be no denial that when a retrenchment occurs in W. P. A. the unskilled are the first to go, and in the greatest numbers. In short, the argument of those who favor firing 650,000 people from W. P. A. is that because the defense program, in a small way, has decreased unemployment, W. P. A. is to be reduced, firing the very people who can find no place in our defense program. That does not make sense.

It is true that defense contracts have boosted industrial production to an all-

time high. Employment has been increased by 1,514,000, but according to the conservative National Industrial Conference Board, unemployment decreased by only 1,296,000. Almost a quarter of a million people were put to work without decreasing total unemployment. If we remember that our young people are growing up, finishing school and going to work, the source of these quarter million new workers is obvious. Each year there are many more and they have obvious advantage over the older people on W. P. A.

It has been said, though not without contradiction, that one out of every five defense jobs has been filled by someone from W. P. A. To justify a dismissal of 650,000 W. P. A. workers there would have to be 3,250,000 new defense jobs between now and June. I don't think anyone is prepared to say that such will be the case, or that even 50 percent of that figure will be realized.

Our defense program is intended to protect democracy in the United States. As I understand it, and as the President has expounded it, democracy today means the opportunity for all to work who want to work; it means making our people strong and healthy and giving them a demonstrable interest in our country. Of what use is a defense program which is transformed into a means for throwing several millions of people out of work and subjecting them to starvation, malnutrition, and sickness? That is not what the people want and that is not the purpose of our defense program. It is for this reason that I voted in favor of the Voorhis amendment to appropriate \$460,000,000 more for W. P. A. The defeat of that amendment shows that we are continuing on the road of false economy. It means that we are neglecting the very purpose for which we have undertaken a defense program, to make democracy in America strong and safe.

It has been said before, but bears repetition, that the best defense for American democracy is a healthy people, all engaged in useful work, all soldiers in the ranks of democracy. By cutting down W. P. A., which is a very useful recruiting method for the army of democracy, we cast out of our ranks those whom we need most, the poorest part of our people, those who will most easily fall prey to foreign "isms." In preparing for the total defense of America and for national unity we cannot afford to discard such a tried and useful weapon in our arsenal as the W. P. A. [Applause.]

[Here the gavel fell.]

Mr. EDELSTEIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein a letter, which I sent to the Budget Director.

The CHAIRMAN (Mr. BRADLEY of Pennsylvania). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. RANDOLPH] such time as he may desire.

Mr. RANDOLPH. Mr. Chairman, the House of Representatives yesterday afternoon, in my opinion, performed a public service in the continuation of our Committee for the Investigation of Un-American Activities. The only reason I rise at this time to comment on that action is that yesterday afternoon I was attending the hearings of the Senate Foreign Affairs Committee and listening to the testimony of Wendell Willkie on the so-called lease-lend bill, and when I attempted to leave the hearing room the crush of the crowd was so great that it was impossible for one to return to this Chamber. Therefore I take this opportunity to say that had I been present, I would have voted with those who gave their approval yesterday to the continuation of the Dies group and to the appropriation of funds to carry on that worth-while work.

Since the inception of the committee it has been my privilege to vote to support the Committee on Un-American Activities of this House. We spend in our national defense billions of dollars, and rightly so. For a single instrument of national defense—a plane or a gun—we spend \$150,000 to keep a possible aggressor from attacking this country in future days. It speaks well for the patriotism of this committee and for the good judgment of the Members, expressing the viewpoint of the country, that they are willing to spend an additional \$150,000 for an alert investigating committee of this House to ferret out the enemies who are working within our country at the present time to break down the solidarity of the American people and our institutions of government.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the distinguished gentleman from Wisconsin.

Mr. KEEFE. We are happy to hear the distinguished gentleman from West Virginia make that statement, because I know his Americanism cannot be impugned. I assume that had the gentleman been here he would likewise have voted for the motion which expunged from the records of this House the remarks made by the gentleman from New York [Mr. DICKSTEIN]?

Mr. RANDOLPH. In answer to the observation of the gentleman, let me say that from reading the RECORD and from consultation with Members I can definitely state that had I been here I would have voted to expunge from the RECORD the statements made by the gentleman from New York, for the reason that I join with him and perhaps others in saying that on certain occasions I have not been in agreement with all the procedure followed by the Dies committee, but for every mistake made by the Dies committee a hundred affirmative actions have been taken, which overbalance any of those errors in my opinion.

Mr. KEEFE. I felt that the gentleman would want to make his record complete, and I knew that he could not take any other attitude than that.

Mr. RANDOLPH. I thank the gentleman, and also the gentleman from Indiana, who kindly allowed me to speak a

bit out of turn on this subject. [Applause.]

Mr. KEEFE. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein a table compiled by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Chairman, on March 22, 1937, and again on January 13, 1938, I spoke on the floor of the House on the abuse of the franking privilege by departments of Government. The Appropriations Committee, in attempting to eliminate the abuse of this privilege, attached the provision on the appropriation bill a year ago that no circular, book, or magazine, and so forth, could be sent to anyone by a department unless they had actually requested it. Despite this fact, the evil seems to continue. I placed in the RECORD a statement at that time showing the total amount of paper used by departments for the first 4 years of this administration, of the cost, according to Printing Office figures, of the paper per pound. I also placed in the RECORD the cost of printing that paper per pound, taking the Printing Office figures. I intend to use the same method of computing the cost of franking mail today as I did on March 22, 1937; that is, the cost of paper per pound and the cost of printing that paper per pound. If anyone in the House or in the departments knows of a better way of figuring the cost of franked mail in the departments, including the cost of printing, I would be pleased to have him place his estimate as to the cost of franking, together with his method of figuring such cost, in the RECORD. I am also placing in the RECORD a table compiled by myself and taken from the post-office records showing the franked mail sent out by departments year by year, exclusive of the Post Office Department, for the fiscal years ending June 30, 1930, through to and including June 30, 1940. During the 7 years of this administration—that is, the fiscal years ending June 30, 1934, through June 30, 1940, inclusive, or a period of 7 years—the departments of Government, excluding the Post Office Department, sent out 5,426,676,266 pieces of mail. It is rather difficult to realize just how much mail this is. Assuming that a post-office clerk could count and sort 1 piece of mail a second and worked constantly 40 hours a week 48 weeks in the year, it would take him 785 years, if he could live that long, to count that 5,426,000,000 pieces of mail which the departments sent out during the first 7 years of the present administration. This mail sent out during the first 7 years weighed 645,945,162 pounds. It would have taken 12,920 railroad cars of 50,000-pound capacity each to haul all this mail out of Washington at one time, if it were going out of Washington. These departments sent out during that 7-year period 110 pieces of mail weighing 13 pounds for every one of the 50,000,000

voters who cast their votes during the last Presidential election.

WHAT DID THIS ACTUALLY COST THE TAXPAYERS OF THE NATION?

The Post Office reports state that the lost revenue amounted to \$236,149,920. It was costing the Printing Office in 1938 \$0.0695 per pound for paper, so the 645,000,000 pounds of paper cost the Government \$44,893,189. According to the average cost of printing of the Printing Office, it cost approximately \$0.2133 per pound for printing. While some of the departmental papers were mimeographed, the statement was made before one of the subcommittees of the Appropriations Committee that mimeographing is more expensive than printing because departmental labor is higher. Taking this method of computing the cost of printing—and it is the only method I know of—it cost \$137,780,103 to do this printing. This gives us a cost statement something like this:

Lost revenue.....	\$236, 149, 920
Cost of paper.....	44, 893, 189
Cost of printing.....	137, 823, 212
Total cost of franking---	418, 823, 212

In other words, the lost revenue, cost of paper and printing averaged for the 7 years approximately \$60,000,000 a year. Despite the fact that Congress has attempted to curb the abuse, it is growing worse. Let us take the cost for 1940, during which nearly a billion pieces of mail were sent out by the departments. This mail weighed 103,614,000 pounds. The paper cost, at \$0.0695 per pound, \$7,201,173. The printing cost \$22,100,866 more. And the lost revenue was \$41,533,310. Summarizing, we have it as follows:

Lost revenue.....	\$41, 533, 310
Cost of paper.....	7, 201, 173
Cost of printing.....	22, 100, 866
Total.....	70, 835, 349

Let us compare this with the 4 years of the Hoover administration, ending with the fiscal year June 30, 1933. We have a table something like this:

Lost revenue.....	\$42, 701, 274
162,536,000 pounds of paper, at \$0.0695 per pound.....	11, 988, 750
Cost of printing, at \$0.2133 per pound.....	36, 794, 250
Total.....	91, 488, 274

This is some comparison; \$91,488,274 covered the cost of departmental franking under the 4 entire years of the Hoover administration, as against \$70,835,349 for the last year of the present administration. A great deal of this franking was political in its nature and could and should be eliminated.

Mr. Chairman, when the Committee rose I was discussing the question of penalty or free mail. The gentleman from Michigan [Mr. Hook] made the point of order that there was not a quorum present. I express my regret to the Members who were compelled to come here, because I know that they are very busy; and if another point of order of no quorum be made, I can only hope that the Chairman will use a little more

imagination in counting than he did the last time.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. RANKIN of Mississippi. I suppose the gentleman is aware of the fact that the second-class mail costs the Government about \$100,000,000 a year more than is paid in for that mail, and that practically every newspaper in the United States has what we might call a franking privilege, free mail circulation in the county in which it is published. The difference between what they pay in—and I am talking now of second-class mail—and what it costs the Government to carry that mail amounts to more than twice the cost of the Government mail. The last amount I saw was \$97,000,000 a year. I pointed out a few years ago one big publication that is very vociferous in its attack on the administration—and I am referring to the Curtis Publishing Co.—received a subsidy of about \$3,000,000 a year in this particular.

Mr. ENGEL. There is this distinction between that class of franking and this, and the same distinction can be drawn between that and congressional franking. The newspapers furnish their own paper and printing. In this instance the Government furnishes the printing and paper.

CONGRESSIONAL FRANKING

While departmental franking has increased tremendously, congressional franking has actually been reduced. The average number of pieces of mail sent out by the Members of Congress during the last 11 years was 3.2 percent of the total amount of number of pieces franked. The average number of pieces, however, mailed out by Members of Congress during the last 3 years was only 2.5 percent of the total number. This is all the more surprising when you take into consideration the tremendous amount of correspondence Members of Congress have had on controversial subjects during the past 3 or 4 years. Thousands upon thousands of letters came here on the Townsend plan, the Supreme Court issue, and other issues, and recently upon the lend-lease bill. I know of one Senator who came down to the office one Monday morning when the Senate was considering the Supreme Court issue who found 2,500 letters and telegrams on his desk that had come in over the week end. I met one Postal Telegraph boy in the House Office Building at 10 o'clock in the morning when that question was before the House. He told me he had delivered up to that time 1,100 telegrams. We are also called upon to send out yearbooks and other information to our constituents. Correspondence pertaining to veterans' cases, social security, old-age assistance, unemployment insurance, and many other questions have increased our correspondence tremendously. May I repeat, therefore, that it is surprising to learn that the percentage of congressional franking has actually come down during this period of time. May I also call attention to the House of the fact that while the Govern-

ment pays not only for the cost of sending department material through the mails it also pays for the cost of the paper and the cost of the printing. When a Member of Congress sends out a speech, he pays for both the printing and the paper. I have in my files a reference to every law that was passed or proposed by Congress attempting to remedy this abuse which has been so flagrant, particularly in recent years. We have tried to curtail this franking or penalty mail many times. I am frank to say that there is only one way that I know of that we can stop it, and that is to make these departments come before Congress and ask for an appropriation for postage. Make an appropriation for the cost of mailing this material, just as we make an appropriation for printing, traveling expenses, and so forth. Make them buy stamps, just as they would do if they were a business concern. In that way Congress can control the appropriations and control the abuses of sending out this penalty mail. This is not original with me, but is a remedy suggested, if I remember, some 40 years ago. It will, of course, be suggested that Members of Congress subject themselves to the same rules that they impose upon the departments. I, for one, would have no objections to that procedure, if by doing so we could save a part of the cost to the taxpayer, or a substantial part of this tremendous cost which during the last 7 years amounted to over \$418,000,000. This may be a drastic step to take, but I believe the situation calls for drastic action. [Applause.]

Franking of mail by departments exclusive of Post Office Department

Fiscal year ending June 30—	Number of pieces	Weight in pounds	Revenue lost
1930.....	302, 126, 259	42, 737, 534	\$9, 347, 505
1931.....	353, 795, 225	43, 342, 958	9, 886, 456
1932.....	319, 890, 040	43, 118, 907	9, 151, 899
1933.....	373, 449, 968	43, 326, 622	14, 315, 414
Total.....	1, 349, 252, 492	172, 526, 021	42, 701, 274
Yearly average.....	339, 750, 530	43, 131, 503	10, 675, 319
1934.....	530, 471, 016	81, 212, 639	23, 094, 882
1935.....	624, 194, 119	85, 207, 595	31, 281, 600
1936.....	669, 352, 068	91, 125, 145	32, 236, 269
1937.....	742, 487, 204	96, 445, 950	34, 051, 927
Total.....	2, 566, 504, 407	353, 991, 329	120, 694, 678
Yearly average.....	641, 626, 101	88, 497, 832	30, 173, 669
1938.....	885, 269, 364	94, 864, 135	35, 690, 807
1939.....	970, 764, 376	93, 474, 900	38, 231, 125
1940.....	999, 138, 119	103, 614, 738	41, 533, 310
Total.....	2, 855, 171, 859	291, 953, 833	115, 465, 242
Yearly average.....	951, 723, 953	97, 317, 944	38, 488, 414
Total, 7 years.....	5, 421, 676, 266	645, 945, 162	236, 149, 920
Yearly average, 7 years.....	774, 525, 180	92, 277, 880	33, 735, 702

Mr. HOOK. Mr. Chairman, I make a point of order there is not a quorum present.

The CHAIRMAN (Mr. GAVAGAN). The Chair will count. [After counting.] Seventy Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 12]

Andersen,	Beam	Bolles
H. Carl	Bender	Brown, Ohio
Andrews	Boehne	Buck

Bulwinkle	Guyer, Kans.	Reed, Ill.
Burdick	Halleck	Reed, N. Y.
Byrne	Hancock	Rich
Celler	Harness	Rivers
Clark	Hébert	Rizley
Clason	Heldinger	Robinson, Utah
Cluett	Hess	Robison, Ky.
Cole, Md.	Houston	Rodgers, Pa.
Collins	Hunter	Sacks
Cooley	Jenks, N. H.	Schaefer, Ill.
Crawford	Jennings	Scott
Creal	Johnson, Calif.	Secrest
Crosser	Johnson, Ind.	Shanley
Crowther	Kelley, Pa.	Sheppard
Culkin	Kilday	Sheridan
Delaney	Kirwan	Smith, Ohio
Dewey	Kleberg	Smith, Pa.
Dickstein	Lambertson	Smith, Va.
Dies	McArdie	Steagall
Dirksen	McGranery	Stearns, N. H.
Ditter	McKeough	Stratton
Dondero	McLaughlin	Suphin
Douglas	McLean	Thomas, N. J.
Downs	Maas	Tinkham
Drewry	Marcantonio	Traynor
Elston	Martin, Iowa	Treadway
Fellows	Mason	Voorhis, Calif.
Fitzpatrick	Myers, Pa.	Wadsworth
Flannagan	Norton	Weaver
Folger	O'Day	Weiss
Ford, Leland M.	O'Leary	West
Gamble	Oliver	Whelchel
Gerlach	Osmer	White
Geyer, Calif.	O'Toole	Wigglesworth
Gibson	Pheiffer	Winter
Gore	William T.	Woodruff, Mich.
Grant, Ala.	Priest	Wright
Grant, Ind.	Rankin, Mont.	Young
Green	Reece, Tenn.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GAVAGAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 307 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. TABER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am not able to take very much part in the debate on this bill, although I was present during the hearings. I am glad to be able to say that the committee did the best it could in trying to save money. It is difficult to save a large amount on this bill, because it represents appropriations for two service departments of the Government. I can say this, however, that the appropriation provided here represents a change downward wherever there has been a change. There has been a change in a large percentage of the items, and it has been downward. There is only one item that represents a larger amount than the Budget estimate, and that represents the transfer of another Budget estimate into that appropriation.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield to my colleague.

Mr. LUDLOW. As a matter of fact, that does not represent any increase over the Budget.

Mr. TABER. Oh, no; but it simply makes that particular item larger, and another item that was sent in by the Budget smaller. So that there were not

any more funds provided on anything than the Budget recommended.

It has been a very nice committee to work on. I have enjoyed my associations, especially with the majority members of the committee, the gentleman from Indiana [Mr. LUDLOW], the gentleman from West Virginia [Mr. JOHNSON], the gentleman from Kentucky [Mr. O'NEAL], the gentleman from Texas [Mr. MAHON], and the gentleman from Massachusetts [Mr. CASEY], and with my own members on that committee, the gentleman from Wisconsin [Mr. KEEFE], and the gentleman from Pennsylvania [Mr. RICH].

I am not going to talk very much about the bill, because I am obliged to go back into the deficiency committee to hear some items that are of great importance. There is one thing that has come to my attention that I feel I should speak about. It only came to my attention this morning. A bill has been introduced in the Senate, S. 337, to fix the rate of postage on books at 1½ cents a pound, or a fraction thereof, irrespective of the postal zone or the destination thereof.

I understand a similar bill was presented by the lobbyists to the chairman of the House Post Office Committee and he refused to introduce it. Now, the situation involved is this: The statutory rate of postage upon books over 8 ounces is 1 cent for each 2 ounces, regardless of destination. The exception was with reference to library books. Here the rates were 3 cents for the first pound and 1 cent for each additional pound—practically double the rate provided in this bill. On October 31, 1939, however, a Presidential order was issued continuing until June 30, 1940, the reduced rates; and on June 30, 1940, another Presidential proclamation reduced the rate to 1½ cents a pound, or less than half what the regular rate would be, until June 30, 1941.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 3 additional minutes.

This was very evidently done for the promotion of certain book factories. It is going to be impossible to have any businesslike administration of the Post Office Department and to get revenue enough together to pay the operating expenses of the Post Office Department if we are going to continue to have that kind of racket going on and have the statutory rates interfered with by Presidential proclamation. It is about time this kind of thing was stopped. It is entirely a promotional proposition and is no credit to the Government of the United States. It is a terrible handicap on the efforts that might be made to put the Post Office Department upon a paying and businesslike basis.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. What excuse, if any, was given for the executive department's interfering with the statute law in that respect?

Mr. TABER. There was no statement of fact. All one can do is to surmise.

Mr. REES of Kansas. Would the gentleman mind surmising a little?

Mr. TABER. The only surmise we can draw is that it was done to benefit somebody; otherwise I cannot see any excuse for interfering with the regular postage rates in this kind of way.

Mr. REES of Kansas. I agree with the gentleman.

Mr. TABER. We have already too many handicaps to placing the Post Office Department upon a businesslike basis, so many that it makes one sick who sits on the committee and tries to cut down the money that is going out.

I hope nobody will introduce any bill to continue that cut in the postage rate or ask that such a thing be done.

I am sorry I have not had an opportunity to go into the bill thoroughly, but I am sure this has been done fully by the gentleman from Indiana [Mr. LUDLOW], the gentleman from Wisconsin [Mr. KEEFE], and other members of the committee. I would not have left the subcommittee on deficiencies, where I have some very important matters pending, except for the fact that I felt it was my duty to bring out the matters with reference to this cut, which is unjustified and which I believe ought not to be allowed.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Chairman, ladies and gentlemen of the House, several days ago my colleague the gentleman from California [Mr. GEYER], in his extension of remarks, not orally on the floor of this House, but by leave to print in the Appendix of the RECORD, went out of the way to assail the good name of a former Member of this House of Representatives. He referred in a scurrilous and odious manner to the Honorable E. H. Crump, remembered by so many of you in the Chamber today. To those of you who knew him so well, no word from me or anyone else is needed to attest to his high sense of integrity, honor, probity, and splendid mental capacity.

Mr. Crump has been my helpful friend and counselor for many years. It was a great honor to succeed him in this House. As one of the newer Members I have been heartened and inspired and challenged by the splendid reputation he made and the heritage which he has left to those of us who follow him. Almost daily colleagues ask as to his good health, his welfare, and express a genuine desire to see him personally, and state their undisguised admiration of him. It is then to the men who have come to the House since his voluntary retirement from service here that I speak briefly about a very distinguished and useful American, who was slandered and whose character was so wrongfully and maliciously assailed by a man who, insofar as I know, has never met him personally, nor has taken the time to inquire about his unquestioned high standing in the community in which he has lived so long and which he has served so usefully, so patriotically, and so well.

Mr. Crump came to the city of Memphis from the State of Mississippi when a young businessman. In the years which have followed he has given untiringly,

with marked energy and industry, an unparalleled devotion and service to his city, his county, his State, and his Nation. He soon became a natural leader of men. He went into business and has made one of the most remarkable and unusual successes ever made by any businessman in the city of Memphis. Yet he found time to lead in every forward movement to make Memphis the great city which it is. In business as well as in public office his word has been his bond, and in both his judgment has been unmistakably sound. In politics he has been elected 22 times himself and has assisted in 70 other general elections, a total of 92 times without a defeat, either of himself or any candidate whom he supported. These offices have led him from alderman to county trustee to city commissioner to mayor to Congressman, and he now serves as a national Democratic committeeman for the State of Tennessee; and all with meticulous honesty, integrity, and success. It is amazing to me that one so far removed from any personal knowledge of a man with so distinguished a career would refer to him, as the gentleman from California [Mr. GEYER] does, in foul, reprehensible language.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. COOPER. When the gentleman from California made the attack he did on my friend and former colleague, Mr. Crump, I felt a desire to take the floor in resentment of the type and character of the attack he made, but I naturally deferred to my colleague the very able and distinguished Representative from the Memphis district.

As one who had the privilege of serving with Mr. Crump when he served as a Member of the House of Representatives, I want to say that no man stood higher and no Member enjoyed a greater degree of confidence, respect, and esteem of the Members of Congress than Mr. Crump. [Applause.]

Mr. DAVIS of Tennessee. I deeply appreciate the remarks of the distinguished dean of the Democratic delegation from Tennessee.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. MCCORMACK. I, too, want to join in the remarks made by the gentleman from Tennessee [Mr. DAVIS] and the gentleman from Tennessee [Mr. COOPER].

Mr. Crump was one of the outstanding Members of the House, and it was with keen regret we saw him depart voluntarily from his service in this body. I was one of the Members who urged him to continue his service in the National House of Representatives because his associates realized that his continued service would be a contribution to the welfare and progress of the country. It was with very keen regret, therefore, that I noted his determination to leave this body due to his feeling that he could render greater service elsewhere.

It is not my purpose to enter into any controversy. It is a pleasure for me at this time to state the very high regard I personally had for Ed Crump, to mention the very fine, honorable contribu-

tions he made during his 4 years' service here and the keen regret we all felt at his voluntary withdrawal.

We who served with him hope that in the future he will enjoy the best of health and that he may go from success to success. We know that attacks such as this will have no great effect upon him because his life and public service has been of such character that attacks from any source would have no effect upon his standing. [Applause.]

Mr. DAVIS of Tennessee. I thank the majority leader for his kind reference to our former colleague.

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. PEARSON. When I heard the attack made by the gentleman from California upon our former colleague, Mr. Crump, I was reminded of the story of the man whose death was reported while he was still living. He said, after reading his own obituary, "There is not a word of truth in it." That is what I said when I read this attack.

Mr. DAVIS of Tennessee. I thank the gentleman from Tennessee.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. DOXEY. I ask unanimous consent, Mr. Chairman, that the gentleman's time may be extended 5 minutes.

Mr. LUDLOW. Mr. Chairman, I am happy to yield the gentleman 5 additional minutes.

The CHAIRMAN. The gentleman from Tennessee is recognized for 5 additional minutes.

Mr. DOXEY. I deeply appreciate the courtesy of the gentleman from Indiana in extending the time of my colleague, the gentleman from Tennessee [Mr. DAVIS].

Mr. Chairman, I want to add my voice to what has already been said by other gentlemen in defense of our very esteemed former colleague the Honorable E. H. Crump, of Memphis, Tenn.

I want to say that I have known Mr. Crump longer than any man on the floor of this House. Ed Crump was born in my home county, Marshall County, Miss.; he lived in my home town, Holly Springs, Miss., for many years. His sainted mother lived there and died there at the ripe old age of 98. No grander woman ever lived. She was truly God's noble woman.

I know of Ed Crump's deep personal devotion to his precious mother and to his wonderful family. I know him as a man of unquestioned integrity. I know he is a great American, a true Democrat, a real, fearless leader, and a southern gentleman. When I heard that remarks had been made by the gentleman from California [Mr. GEYER] about Mr. Crump, I did not take this floor at that time but I saw him personally. I will not say what I said to the gentleman from California [Mr. GEYER] because he is not here and it is not my fault he is not here because the gentleman from California [Mr. GEYER] was invited to be here. I want to say further that what the gentleman from California [Mr. GEYER] said in regard to the man that we served with here in two Congresses, the Seventy-second

and Seventy-third Congresses, a man whom we all loved and admired, had no more effect on the hearts of the men who know Ed Crump than a flea bite on an elephant.

I join with my distinguished friends in paying tribute to Mr. Crump. Mr. Crump needs no eulogy at our hands. Ed Crump is a leader among leaders and a man among men. While he served in this body he lent dignity and grace to it, and I personally resented the remarks that were made by the gentleman from California [Mr. GEYER]. I am happy that my young friend, the gentleman from Tennessee, CLIFF DAVIS, who is also a Mississippian, and who now represents the Ninth District of Tennessee, has had the time given him to say what he has said, not only on behalf of Ed Crump but for the benefit of the membership of this House. [Applause.]

Mr. DAVIS of Tennessee. I thank the gentleman from Mississippi and my friend of long standing. I am persuaded to ask for some more time because I do want to conclude this statement which I have thought out with great sincerity.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. DAVIS of Tennessee. President Lincoln well said:

You can fool some of the people all of the time, and all of the people some of the time, but you cannot fool all of the people all of the time.

Mr. Crump is devoted to his family, his neighbors, his fellow citizens, and to his country. Not one single time in all of his 39 years of his busy private and public life has a single finger of scorn, graft, or corruption been directed toward him.

The orphans of my city love him. The sick and the oppressed, the weak and the indigent respect him. The business and professional men admire him. The man who labors feels he is a friend. All creeds have confidence in him, and every decent, fair-thinking man and woman of my district believe in him.

Very frankly, I should like to inform my colleague from California that the city of Memphis, which Mr. Crump has promoted and helped so substantially, has now a population of 292,942 inhabitants. This population indicates a 15-percent increase over the announced figures of 1930. In that population is found an expression of true, sound Americanism. The people of that community do not tolerate subversive influences from without nor radical suggestion to tear down the institutions and traditions of this great free country.

Memphis is perhaps the only large city in America that owns its own light, gas, and water plants. These purchases were made without one penny of graft. These utility properties, when bought, stopped Wall Street from robbing the people on electric-light rates. In all of the negotiations leading toward purchase the wise counsel and business judgment of Mr. Crump was sought and his advice followed by the city authorities.

Practically every fee office throughout Memphis and Shelby County has been abolished, and the cost of county gov-

ernment lessened by hundreds of thousands of dollars. Loan sharks have been regulated in every particular where the law has permitted, and indigent people who have to borrow money have thus been protected.

Memphis and Shelby County have no slot machines, no gambling houses, and none of the so-called numbers or lottery rackets, all due to Mr. Crump's leadership. The city is practically free of all race-horse handbooks. There is not even bingo gambling, no streetwalkers, no red-light district, and, certainly, no organized gambling. No criminal gangs are to be found there. No city in the country has so splendidly controlled the sale of narcotics. And I venture to say that no city in the country is better governed than the city of Memphis, Tenn., under the wise leadership of Mr. Crump, and under the leadership of another distinguished predecessor of mine, the Honorable Walter Chandler.

The city and county have a great public-school system, fine streets and roads, beautiful parks, and libraries. Mr. Crump was the first to suggest the establishment of an effective city-beautiful commission composed of ladies from all sections of that city who have contributed marvelously to the beauty, the health, and happiness of a great people.

Memphis won first prize in public-safety competition among cities of all population groups. In that same year the city won first prize in fire safety. These were national honors. No other city in America can boast of winning both the public-safety and fire-safety awards in the same year, as was the record of Memphis. The city has won high honors also in health contests. In the State of Tennessee proper care for tuberculosis sufferers has been woefully inadequate. In the legislature which is now in session a bill has been passed authorizing the establishment of a great tuberculosis hospital, centrally located, for the relief of those stricken with the disease. This legislation was suggested to the Governor by Mr. Crump as another of his far-sighted humanitarian objectives. Under his guidance it is true today that Memphis is the cleanest city in America.

My colleague the gentleman from California [Mr. GEYER], in his ambition to impose his anti-poll-tax philosophy upon the people of the sovereign State of Tennessee, has become entirely too reckless in his enthusiasm when he spoke in degrading terms about a man with such an interesting, effective, and honorable career as has Mr. Crump. He does not know the facts, nor does he seek the truth when he infers that the distinguished former Member of this House fails to stand upon honorable grounds with reference to poll-tax legislation in our State.

I think that a statement issued by Mr. Crump to the public through the press on January 17 of this year states clearly his position on anti-poll-tax legislation, and I quote it, as follows:

Yes; we said in 1933 we favored the repeal of the poll tax, and meant it. In the early part of 1939, nearly 2 years ago, we said that the poll-tax repeal was probably in the mak-

ing, a matter for the legislature, but there would be strong Democratic opposition to it. The Republicans wanted it. There are 33 members of the State senate—29 Democrats, 4 Republicans. The recent vote shows 22 Democrats against repeal, 7 Democrats and 4 Republicans for it.

In 1940 the Shelby legislative delegation pledged nothing on the subject, for there had been a decided change. France, Belgium, and Holland had fallen. Communists and German Bund propaganda going the rounds, encouraging race hatred and social equality.

We know that it would have been unwise to have voted for repeal of the poll tax at this time, not only for Memphis but for the State, and we stand on this assertion. Many of the best lawyers in Tennessee contend that the poll tax cannot be entirely repealed under the constitution, cannot be eliminated as a qualification for voting. However, I don't know about this.

Further, there are 95 counties in the State; in only 6 is there any registration of voters whatever. In the 89, I understand, there is no registration qualification. If the poll tax is removed, with no registration there is no way of identifying any voter.

The intensely Republican papers are strong for poll-tax repeal. They talk about purifying elections. Look at what has happened in recent elections in Kansas City, Philadelphia, Chicago, Pittsburgh, St. Louis, and New York, where there has been no poll tax for many years.

We should never be in favor of the repeal of whatever part of the poll tax can be repealed under the constitution unless there is registration everywhere—in all the counties throughout the State. There must be some check, at least on the identity of the voter. I don't believe there is a sane person in Tennessee who will disagree with us on this. Those bills that were killed last Wednesday carried no registration provision whatsoever.

The people of my county, the Ninth Congressional District of Tennessee, are satisfied, because they realize that there is no graft in the city and county governments. There has been no dishonesty in any election that we have had in my district for years. The public offices are filled by men of the highest standing and integrity. Good government is their high aim, and all of these accomplishments have occurred under the leadership of Mr. Crump. His honesty has never been questioned during all of these years in which he has taken a leading part in the politics of Memphis and Shelby County and a prominent part in the politics of the State and Nation.

Shame on a man who seeks to villify a splendid character with a long, honorable record of private and public service to serve his own selfish ambition to impose a piece of legislation upon a people who should have the right through their own elected officials to determine the qualification and registration of their voters. [Applause.]

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, yesterday it was my privilege to go on record for what I considered one of the most important bits of legislation which this House has considered. I know of no issue that has been more unanimously accepted by the entire membership of the House, and I know of no issue that has been better appraised in my own

constituency than the resolution considered by the House yesterday which called for continuation of the Dies committee to investigate un-American activities.

In voting for that legislation I know that I am absolutely and positively reflecting almost 100 percent the wishes and desires of the good people of my congressional district.

Mr. Chairman, during the last campaign it was my privilege to travel from house to house and from farm to farm in the counties of Broome, Chautauque, Delaware, and Otsego, the southern tier of counties in the State of New York. I talked and visited with many of the people which I have the privilege and honor of representing in the Congress today. Almost to a man and woman they were in accord with the idea of driving subversive activities from our midst, and for the enactment of legislation by the Congress of the United States which will put a stop to these un-American activities.

Mr. Chairman, I have therefore felt it incumbent upon me to introduce a bill, and I have introduced such a bill, the purpose of which is to prohibit the dissemination of certain subversive propaganda. May I say at this time that it is my hope the Dies committee will come before the House shortly with a list of prospective legislation and that before the end of this session a substantial part of this legislation may be enacted into law. I am willing to stand by the recommendations of that committee, but as one of the distinguished members stated yesterday, it is high time that it come before the House with some recommendations.

I have introduced a bill, H. R. 1938, which, as I stated, is submitted for the purpose of putting an end to some of the activities which have been going on in my own district and which I consider highly undesirable and un-American. As I stated previously, I visited among the people of my district during the past summer and I found there was considerable dissemination of un-American propaganda in the form of leaflets being handed out to workers, and in the form of letters, pamphlets, and illustrated booklets which came through the mail.

In the event of the dissemination of any propaganda prohibited by my bill in the manner I suggest, the measure calls for cessation of such activities and imposes a fine of \$1,000 and a term of imprisonment of not less than 1 year nor more than 1 year upon conviction of its violation.

My district is only about 180 miles from the city of New York, and occasionally there comes there agents of the Communist and Nazi parties. These are paid agents of one party or another, and they go through the entire district, as I have said, from house to house and from farm to farm, trying to get the good people of my district, upright American citizens, to become members of this party and that party which advocates the overthrow of the American Government.

Mr. Chairman, I submit to the membership of the Congress that these highly undesirable, obnoxious forces should not

be allowed to continue to perpetrate their activities, their ideologies, and influences upon an unsuspecting public. It would benefit my district and it would benefit the entire Nation. I feel that the consideration of the proposed legislation I introduced not long ago would be welcomed by my district and the whole Nation.

Various arguments have been advanced in one way or another as to the possibility of enactment of legislation which calls for the cessation of these activities. The arguments against these proposals have been that they might be considered, in the event that the use of the mails was shut off from certain individuals or parties, to be unconstitutional. This measure specifically provides that any organizations or any individuals who openly advocate the overthrow of our great American system and our form of government, and are guilty of disseminating propaganda, either in written or spoken form, or through the mails, are grossly guilty of an offense against the Government of the United States and shall be prosecuted accordingly.

I do not need to present the seriousness of the situation to you. You are all familiar with what must be going on in every section of this broad land—to the extent that there is being forced upon an unsuspecting American public the odious and obstreperous influences of foreign ideologies. I feel sure that the Members of the House will find it incumbent upon themselves to pass ere long legislation calling for the cessation of these activities. Upon your indulgence I submit this legislation. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 13 minutes to the gentleman from Connecticut [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman, I have asked for this time this afternoon to speak upon the measure that is now before us. I believe I have sat here from the beginning of this Congress as faithfully as any Member of this House listening to the debate and trying to form my opinions and my judgments. I agree with the distinguished gentleman from Wisconsin that there is a very, very small percentage of the Members of this Congress who can comprehend the vast amount of moneys that are being appropriated here, even that amount that has been appropriated since the beginning of this session. I must confess that after the debates are over, when I leave this Chamber, my head is in a whirl from trying to arrive at a decision. However, I cannot see for the life of me why this Subcommittee on Appropriations has taken out of this bill the small appropriation of \$3,000,000, in view of the need of additional facilities for noncommissioned officers of the Coast Guard.

I want it understood that I do not know the Commander of the Coast Guard. I have never met him and have never spoken to him. I do know, however, of the fine qualities of men he is producing through this agency of the United States Government.

The United States Coast Guard Academy is located in my district. I refer you to his testimony, and that is what I

must base my decision on. I believe if the Members of Congress would base their decisions on the recommendations of the men who have charge of the armed forces of our country our decisions would be made a great deal easier.

In his testimony before the committee he said that one of the most urgent needs of the Coast Guard at this time is commissioned officers. Out of the authorized strength of 838, there are now 242 vacancies.

Then he goes on and gives a description of the Coast Guard. These men are being trained in eight different parts of this Nation; seven of the buildings he claims are unfit for the young men to be trained in, being fire traps, old wooden buildings. He further describes the need of consolidation of all these schools in one location.

I represent in part the State of Connecticut. The State of Connecticut has offered to the Government 70 acres of the finest land and buildings along the Atlantic coast free of charge for the location and consolidation of this school. The evidence and testimony of the Commander is to the effect that this site is worth easily between \$100,000 and \$200,000. The State of Connecticut has an option for 6 months on this property and wants to give it to the Government in order to consolidate this school. The location is 3 or 4 miles from the present Coast Guard Academy in the city of New London. It is half way between New York and Boston. It is situated within 1 mile of a State airport, and it is an ideal location.

Mr. Chairman, I call your attention to the reason the subcommittee gave in its report, on page 17, as to why this item was taken out after it had received the approval of the President of the United States and the Bureau of the Budget. I quote:

The committee has gone fully into the project and, while it has much to recommend it from the standpoint of consolidating at one point and improving the training program, the facilities would all have to be constructed and, assuming that they were given the necessary priorities in labor and materials, the first graduates could not be had from the station before the early part of the calendar year 1943.

That is the reason the subcommittee has taken out of this bill the appropriation for the consolidation and for the training of the officers of the Coast Guard, or at least it is part of the reason.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. I yield to the gentleman from Indiana.

Mr. LUDLOW. All of us know the very great interest the gentleman from Connecticut has in this project for a Coast Guard training station in his district. No Member of this House looks after his district and his people more carefully than the gentleman. I am sure that if appropriations were granted on the basis of our esteem for Members the gentleman would have his appropriation right away. I believe, by the way, that the gentleman is the only Member of this House who functions in a dual capacity as a Congressman and as the mayor of his city.

Mr. FITZGERALD. That is right.

Mr. LUDLOW. I know that the gentleman functions very efficiently in both capacities.

May I say in connection with this particular item of \$3,000,000 for a training station that Admiral Waesche, in his testimony on page 405, states explicitly that this is not a war measure; and he told us that he has had in mind for a long time the establishment of this institution. The President has repeatedly put thumbs down on it, but this year it came up to us, although under circumstances which we thought would not warrant us in granting this appropriation at this time, one being that the cost of materials is now at such a high peak.

We have reason to believe the time will come when this institution, comprising 14 large buildings, can be built at much less cost than it can be built at this time. This is one reason why we thought it inadvisable to go ahead with this project.

Another reason was that it could not be stated that there was any exigency requiring this new station for emergency training. If it is so contended, then that argument is nullified by the fact that it will be until far along in 1943 before there would be any graduates from this institution. These men are being trained now very efficiently in scattered portions of the country, and there would enter into it still another factor, and that is that if this training is all centered at one place there would be a very large transportation item from the different sections of the country to the gentleman's district. These were among the factors that induced us to believe that it would be better to put this project over without prejudice, I may say, to be reexamined at some future time.

Mr. FITZGERALD. Is it not a fact, Mr. Chairman, that Admiral Waesche stated in his testimony that by the consolidation of this school the overhead would be lessened quite a bit or quite materially, if I have read his testimony correctly—and I have read it several times. I do not know whether the gentleman would call this an emergency that we are facing at the present time or not.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. I will be glad to yield to the gentleman.

Mr. SMITH of Connecticut. Is it not also true that there are existing roads and utilities on this site which the Government would receive at this time which may not be available at the later date, in addition to the buildings already on the site, and the site itself is a large and ideal one? I do not know whether the committee took that into consideration as balancing, possibly, the increases in costs in building construction.

Mr. LUDLOW. May I add that it was a very expensive proposition? A list of the buildings that it would be necessary to construct is set forth in the hearings. There are 14 of them and this training is going on, as I have said, without this new construction. No one has anything to say against the efficiency of the present training of the Coast Guard. It is most efficient. The Coast Guard, by and large, is one of the most efficient services

in the Government and there is no question about it. These men are being trained very efficiently now. The whole argument was to set up a new and very expensive institution here comparable, as the admiral in the pride of his service, told us time after time, with other training facilities in other services, his idea being that we establish something very large and something commensurate with the importance of the Coast Guard. We felt it was not the time to establish anything like that when it is not absolutely needed for the service, so we disapproved the estimate.

Mr. FITZGERALD. Is it not a fact with reference to the training that the admiral stated there is a vacancy of 242 men today in the Coast Guard?

Mr. LUDLOW. That was with reference to the commissioned officers. There is no training of commissioned officers contemplated here.

Mr. FITZGERALD. It is contemplated that they will train additional noncommissioned officers which is shown here in the report.

I wish to say in conclusion that the bill provides for the building of additional cruisers and planes as well as other material and equipment for the Coast Guard, and I wish to go on record as saying here this afternoon that there is no need to build these new cruisers or these new destroyers or these new planes unless we have the personnel to go along with them.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I will be glad to yield the gentleman 2 additional minutes, and I may say to the gentleman that I am exceedingly interested as a member of this committee in the proposal of the Coast Guard, so ably represented by Admiral Waesche before the committee. I have given this matter very serious consideration, both in and out of the committee, because I am a great admirer, both of Admiral Waesche and of the Coast Guard and what it is doing. I think the gentleman is somewhat in error, however, if he is acting under the apprehension that this whole proposition is for a training school to train officers for the Coast Guard. The officers are being trained in the present facilities, and the purpose of this school, as I am advised, is merely to coordinate the other training branches of the Coast Guard, to provide the training of petty officers and cooks and electricians and radio operators, and so on, who are now being trained in sufficient numbers in the existing facilities.

Because of the tender and offer of this large Plant estate by the State of Connecticut, which I have seen and know is a beautiful place, worth maybe \$100,000 or \$200,000—they want to spend \$3,000,000 in the equipment of a school and the building of a school to train these subordinate people, not officers, in the Coast Guard. While we are very sympathetic to the Coast Guard and have given Admiral Waesche almost everything he has asked for, we do not feel that this is the time to come before the committee and ask for that service and this, I think, is the plain attitude of the committee, I will say to the gentleman from Connecticut. At a later time I myself,

and I think I can speak for other members of the committee, will be very willing to give this matter further consideration, and I think Admiral Waesche is in accord with our position at this time.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, I rise for a moment only in recognition of the birth of the man whose vision and whose courage gave leadership to this country when its very existence hung in the balance. I would ask, What is leadership? Of what does it consist? It has been said that leadership is courage and wisdom combined with a complete disregard of self. Such, indeed, was the leadership of Lincoln. Filled with his dream of a land where all men might be free, he has left to us an example of simple, honest devotion to principle that we will do well to remember. Fellow Members of Congress, I give you Abraham Lincoln. [Applause.]

Mr. KEEFE. Mr. Chairman, I shall take just a moment to say to the Members of the House that I very deeply appreciate the thoughtfulness of the gentlewoman from Ohio [Mrs. BOLTON] in bringing to the attention of the House today the fact that this is Lincoln's Birthday. In view of the present turbulent situation throughout the world and in our own country I think we might well wish that he might be here in person, and out of his simple eloquence and his great love for humanity and human liberty give to the Nation an inspiration and leadership so sorely needed in this Nation and the world today. It is indeed tragic that in a Nation dedicated to his ideals some time in this Congress has not been set apart today for nonpartisan reflection and discussion in commemoration of the birth of one of the greatest Americans this Nation has produced. [Applause.]

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GAVAGAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 3205, the Treasury-Post Office appropriation bill, 1942, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BROWN of Ohio, on account of illness, at the request of Mr. MCGREGOR.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the Record an address over the radio recently delivered by the Right Reverend John A. Ryan, D. D.

The SPEAKER. Is there objection?

There was no objection.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter I received on the matter of shoe contracts.

The SPEAKER. Is there objection? There was no objection.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 17 minutes p. m.) the House adjourned until tomorrow, Thursday, February 13, 1941, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold public hearings at 10 a. m. on the following dates on the matters named:

Thursday, February 20, 1941:

H. R. 554, to exempt sail vessels from the provisions of section 13 of the act of March 4, 1915, as amended, requiring the manning of certain merchant vessels by able seamen, and for other purposes. (Manning requirements for sail vessels.)

H. R. 2520, to amend the act entitled "An act to except yachts, tugs, towboats, and unrigged vessels from certain provisions of the act of June 25, 1936, as amended," approved June 16, 1938. (Manning requirements for seagoing barges.)

Friday, February 21, 1941:

H. R. 2074, to amend section 353 (b) of the Communications Act of 1934, as amended. (Experience requirements, radio operators on cargo ships.)

Wednesday, February 26, 1941:

H. R. 2662, to establish hiring halls under the control of shipping commissioners for the engaging of seamen for certain vessels, to control subversive activities among seamen, to impose additional citizenship requirements for manning vessels of the United States, to establish more stable labor relations in the merchant marine, and to protect the status of the American merchant marine as an integral part of the national defense.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

208. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Social Security Board for the fiscal year 1941, amounting to \$3,620,000, together with a draft of a proposed provision pertaining to an existing appropriation for the same agency for the fiscal year 1941 (H. Doc. No. 81); to the Committee on Appropriations and ordered to be printed.

207. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the Post Office Department amounting to \$652,500 for the fiscal year 1941 (H. Doc. No. 80); to the Committee on Appropriations and ordered to be printed.

208. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Navy Department for the fiscal year ending June 30, 1941, totaling \$683,494,832 cash, plus contract authorizations totaling \$154,055,000 (H. Doc. No. 82); to the Committee on Appropriations and ordered to be printed.

209. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department involving an increase of \$60,843,100 in the estimates of appropriation for the Department in the Budget for the fiscal year 1942 (H. Doc. No. 83); to the Committee on Appropriations and ordered to be printed.

210. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year 1941, amounting to \$83,190 (H. Doc. No. 84); to the Committee on Appropriations and ordered to be printed.

211. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 26, 1940, submitting a report, together with accompanying papers, on reexamination of Hereford Inlet, N. J., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 10, 1938; to the Committee on Rivers and Harbors.

212. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 27, 1940, submitting a report, together with accompanying papers, on reexamination of Keehi Lagoon, Oahu, Hawaii, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted May 29, 1940; to the Committee on Rivers and Harbors.

213. A letter from the Postmaster General, transmitting the cost ascertainment report and appendix for the fiscal year 1940; to the Committee on the Post Office and Post Roads.

214. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 7, 1940, submitting a report, together with accompanying papers, on reexamination of channel from Pamlico Sound to Beaufort, N. C., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted May 5, 1937; to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3297. A bill to amend the first paragraph of section 22 of the act of February 23, 1931 (46 Stat. 1210); to the Committee on Foreign Affairs.

By Mr. BURDICK:

H. R. 3298. A bill authorizing the appointment of an additional judge for the district of North Dakota; to the Committee on the Judiciary.

By Mr. COLE of New York:

H. R. 3299. A bill to establish a civilian glider pilot training division in the Civil Aeronautics Administration, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH:

H. R. 3300. A bill to establish a civilian glider pilot training division in the Civil Aeronautics Administration, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLAHERTY:

H. R. 3301. A bill restoring percentage wage differential for a leadingman and quarterman

at any navy yard; to the Committee on Naval Affairs.

By Mr. VINSON of Georgia:

H. R. 3302. A bill relating to allowances for rental quarters of certain naval officers stationed in the Canal Zone; to the Committee on Naval Affairs.

By Mr. ANDERSON of California:

H. R. 3303. A bill to establish as a part of the Reserve component of the Regular Army a home-defense organized Reserve for local home defense; to the Committee on Military Affairs.

By Mr. BOEHNE:

H. R. 3304. A bill to amend section 2901, Internal Revenue Code; to the Committee on Ways and Means.

By Mr. COSTELLO:

H. R. 3305. A bill to establish as a part of the Reserve component of the Regular Army a home-defense organized reserve for local home defense; to the Committee on Military Affairs.

By Mr. RAMSPECK:

H. R. 3306 (by request). A bill to amend the Classification Act of March 4, 1923, as amended; to the Committee on the Civil Service.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 2, with reference to section 5 of the Idaho admission bill (26 Stat. L. 215, ch. 656); to the Committee on the Territories.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolutions Nos. 4 and 10, with reference to roads; also that proper steps to prevent the importation into the United States of any livestock or meat products from any and all countries in which the foot-and-mouth disease is prevalent among the livestock; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COSTELLO:

H. R. 3307. A bill for the relief of Josiah Ogden Hoffman; to the Committee on Naval Affairs.

H. R. 3308. A bill for the relief of George M. Louie; to the Committee on Immigration and Naturalization.

By Mr. COLMER:

H. R. 3309. A bill for the relief of Louis J. Banderet; to the Committee on Claims.

By Mr. GEHRMANN:

H. R. 3310. A bill for the relief of Edward W. Corrier; to the Committee on Claims.

By Mr. HEIDINGER:

H. R. 3311. A bill granting a pension to Mary A. Salyards; to the Committee on Invalid Pensions.

By Mr. JARMAN:

H. R. 3312. A bill granting an increase of pension to Grizelda Hull Hobson; to the Committee on Invalid Pensions.

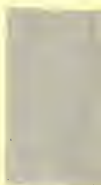
By Mr. SCHWERT:

H. R. 3313. A bill for the relief of Casimer Borowiak; to the Committee on Military Affairs.

By Mr. SIMPSON:

H. R. 3314. A bill for the relief of Calvin C. Leonard; to the Committee on Claims.

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The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

[Mr. LELAND M. FORD addressed the House. His remarks appear in the Appendix of the RECORD.]

EXTENSION OF REMARKS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

There was no objection.

PERSONAL PRIVILEGE AND PRIVILEGES OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of privilege of the House and also a question of personal privilege.

The SPEAKER. Does the gentleman have a resolution?

Mr. HOFFMAN. Mr. Speaker, I have a resolution.

The SPEAKER. The gentleman will submit the resolution.

Mr. HOFFMAN. I would like to be heard on the question.

The SPEAKER. If it is a question of personal privilege, the gentleman does not have to submit a resolution, but if it is a matter of the privileges of the House, he does.

Mr. HOFFMAN. Yes; I understand that. The question raised involves both the privilege of the House and of a Member.

The SPEAKER. If the gentleman wants to state a question of personal privilege, he may.

Mr. HOFFMAN. Mr. Speaker, on Tuesday, February 11, the gentleman from New York [Mr. DICKSTEIN], while the House was in session (RECORD 894), was recognized by the Chair, took his place in the well of the House, and the following occurred:

Mr. DICKSTEIN. Mr. Speaker, I rise to advise the House of a few facts that have come under my observation with respect to the so-called Dies committee which I believe has been seriously affecting the democracies and the people's rights under the Constitution.

I charge specifically that the Dies committee not only violated the Constitution, but violated the Bill of Rights—or that this was done by men who were under their wing.

I also charge that they have a flock of political investigators who could not investigate any real trouble, men who are sitting around all day smoking pipes, yet carried on the pay roll at between \$300 and \$600 a month.

I charge that the Dies committee has squandered at least \$100,000 of the taxpayers' money.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from New York yield to the gentleman from Michigan to submit a parliamentary inquiry?

Mr. DICKSTEIN. I do not, Mr. Speaker.

Mr. HOFFMAN. I make a point of order, then, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. I make the point of order that the gentleman from New York is out of order when he charges a committee of the House with violating the Constitution and the Bill of Rights.

The SPEAKER. The gentleman from New York is entitled to state his opinion. The gentleman from New York will proceed.

Later, and while the gentleman from New York [Mr. DICKSTEIN] was addressing the House, the gentleman from Mississippi [Mr. RANKIN] arose, demanded that certain words uttered by the gentleman from New York, subsequent to the statement quoted above be taken down. The words were taken down, and later the gentleman from Mississippi [Mr. RANKIN] (RECORD 894) moved "to expunge the entire speech of the gentleman from New York [Mr. DICKSTEIN] from the RECORD." Subsequently the motion of the gentleman from Mississippi was agreed to (RECORD 899). The RECORD does not contain the remarks of the gentleman from New York [Mr. DICKSTEIN], the point of order made by the member from the Fourth Congressional District of Michigan, nor the ruling of the Speaker thereon, and the RECORD as printed on pages 894 and 899 under date of February 11, 1941, is not a true record of the proceedings and which, under the ruling of the Speaker, did not violate the rules of the House. I therefore will send to the Clerk's desk a resolution, the material part of which resolution is as follows:

Resolved, That the following remarks, which were made on the floor of the House on February 11, 1941, be printed in the permanent edition of the RECORD at the proper place, that is, after the line, "Mr. DICKSTEIN addressed the House," and prior to the line reading, "Mr. RANKIN of Mississippi (interrupting)." Mr. Speaker, we are not going to stand for everything; I demand that those words be taken down" (on page 932), insert the following, to wit:

"Mr. DICKSTEIN. Mr. Speaker, I rise to advise the House of a few facts that have come under my observation with respect to the so-called Dies committee, which I believe has been seriously affecting the democracies and the people's rights under the Constitution.

"I charge specifically that the Dies committee not only violated the Constitution but violated the Bill of Rights—or that this was done by men who were under their wing.

"I also charge that they have a flock of political investigators who could not investigate any real trouble—men who are sitting around all day smoking pipes, yet carried on the pay roll at between \$300 and \$600 a month.

"I charge that the Dies committee has squandered at least \$100,000 of the taxpayers' money.

"Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

"The SPEAKER. Does the gentleman from New York yield to the gentleman from Michigan to submit a parliamentary inquiry?

"Mr. DICKSTEIN. I do not, Mr. Speaker.

"Mr. HOFFMAN. I make a point of order then, Mr. Speaker.

"The SPEAKER. The gentleman will state it.

"Mr. HOFFMAN. I make the point of order that the gentleman from New York is out of order when he charges a committee of the House with violating the Constitution and the Bill of Rights.

"The SPEAKER. The gentleman from New York is entitled to state his opinion. The gentleman from New York will proceed."

The omission of the proceedings just referred to raises a question of privilege of the House and also a question of personal privilege for the following reasons:

First. The omission from the CONGRESSIONAL RECORD of the proceedings referred to involves the integrity of the record of the House.

Second. The first amendment to the Constitution provides that, "Congress shall make no law * * * abridging the freedom of speech or of the press."

Congress is the creature of the Constitution, it has no power except as that power is derived from the Constitution. The creator cannot delegate, certainly Congress cannot exercise, a power which would destroy a prohibition of power contained in the Constitution itself.

It will be said that section 5 of article I expressly provides that "each House may determine the rules of its proceedings." That is quite true, but apparently the only rule which Congress has made and which is here applicable refers to improper or disorderly remarks and the remarks to which attention has been called were held by the Speaker to be neither improper nor disorderly. Moreover, it is doubtful that the power granted in the section just referred to could destroy the effect of the first amendment. If it conflicts, the latter must stand.

No claim is made that any Member has a constitutional right to violate the rules of decorum, of common decency, of proper debate by virtue of the constitutional provision guaranteeing freedom of speech and of the press. The constitutional guaranty does, however, extend to, and protect, Members of the House, so long as, having obtained the floor in a proper manner, he in speaking does not violate the rules of the House.

From the transcript which has been read, it will be noted that the gentleman from New York [Mr. DICKSTEIN] obtained permission to speak, and up to the time the point of order was made by the Member from the Fourth Congressional District of Michigan, was, according to the ruling of the Speaker, proceeding properly under the rules of the House.

No one has contended, no one can successfully contend, that the Member of the Fourth Congressional District of Michigan did not properly obtain the floor or that he was speaking in violation of the rules of the House. No one contends that the Speaker in passing upon the point of order was not acting within the authority granted him or that he was acting in violation of the rules of the House.

The remarks which give occasion for the raising of this question of personal privilege are in themselves of little or no importance. The point of order made by the gentleman from Michigan is of no great moment; but the action of the House in expunging from the CONGRESSIONAL RECORD a part of a speech of the gentleman from New York, which the Speaker ruled was in order, in expunging the point of order and the Speaker's comments and decision thereon, establishes a precedent, which may undermine the right of free speech and a free press.

These are times of emergency; these are days which try men's tempers. Occasions arise when unfounded charges

are made. Men say things which arouse animosity, give rise to actions which in more sober moments would not be taken. As we enter upon this period of greatly intensified feeling, as we are about, as it seems, to engage in a war to preserve civil rights throughout the world; if, as the President said, speaking to this Congress, we are to do out utmost to preserve freedom of speech, of the press throughout the world, then certainly here at home a Representative of the people should not have his statements made on the floor of the House in compliance with the ruling of the Speaker—the statement of the Speaker—stricken from the RECORD in violation of the constitutional guaranty.

If unimportant proceedings of this body can be stricken from the RECORD in violation of the fundamental law of the land, there is no assurance that later, on some other occasion, with passion whipped high in debate, a similar course will not be followed when the issue is vitally important to the welfare of our country.

Mr. Speaker, let me repeat. My point is that the House had no authority or power to expunge the whole speech, the point of order, the remarks of the Speaker, and that the right of free speech and a free press guaranteed by the Constitution should not be thus violated. The Congress is nothing more than the creature of the Constitution, and so long as a Member proceeds in accordance with the rules of the House, as the gentleman from New York did proceed up to that time, as the Member from Michigan proceeded in raising the point of order, and as the Speaker of the House proceeded in ruling upon the point of order, the House has no authority to strike from the RECORD the proper remarks of the gentleman from New York, the proper remarks of the Member from Michigan nor the proper remarks of the Speaker. It is of little moment as to the importance of the words contained in the remarks. It makes no difference in this discussion whether they were material, unimportant, or utterly absurd.

The point is that if the House can expunge from the RECORD proper remarks made by a representative of the people on the floor of the House and the ruling of the Chair thereon on one occasion, then on a more important occasion the House may follow that procedure. For example, if today or tomorrow a Member of the House rises and makes a talk on any subject, a talk which is proper, then it follows that the House, under this precedent just established, can expunge those remarks. That is clearly beyond any power granted the House under the Constitution. The purpose of this resolution is to include remarks which were proper—the ruling of the Speaker. It has no purpose other than to prevent the establishment of a bad precedent which will trouble the House later.

The SPEAKER. Permit the Chair to state to the gentleman from Michigan that the Constitution itself gives the House authority to establish rules for its own procedure. As far as expunging unparliamentary remarks from the RECORD is concerned, either in whole or in part,

that has been done by the House for many, many years.

Mr. HOFFMAN. That is all very well, but the Congress must exercise that power within the limits imposed by the Constitution itself and those rules or precedents established should not be permitted to contravene the provisions of the Constitution. What becomes of the doctrine of free speech if the Congress itself can wipe off the RECORD the speech of any Member even though those remarks are in accord with the rules of the House? If the remarks made by the Speaker in ruling upon the point of order made by the Member from Michigan were in contravention of any rule of the House, I would say the House then had authority to expunge them, but so long as those remarks did not violate any rule of the House, and so long as they are proper, and they were proper, according to the ruling of the Speaker, from which no appeal was taken, then, certainly, the House cannot, so long as the constitutional guaranty of free speech remains under the power granted to make rules, expunge something which is lawful and which is proper. Moreover, there is no rule of the House giving the House authority to expunge remarks which are proper in form and substance.

The SPEAKER. The House took the responsibility, and did it. The Chair would not undertake to undo what the House has done; and, as the Chair stated previously, it has been done many times before.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Is there not a difference between the Journal and the RECORD, and is not the Journal the only thing that is referred to in the Constitution?

The SPEAKER. The gentleman is correct.

Mr. HOFFMAN. Mr. Speaker, may I be indulged one moment further?

The SPEAKER. Without objection, the gentleman from Michigan is recognized for 1 minute.

Mr. HOFFMAN. I am talking about the first amendment to the Constitution, which guarantees to everyone the right of free speech and the right of a free press and the right to have his remarks reported so long as they are in accord with and do not violate any rules of the House.

The SPEAKER. The gentleman from Indiana [Mr. LUDLOW].

Mr. HOFFMAN. Did the Chair rule on the question of privilege of the House?

The SPEAKER. I did not know the gentleman had raised such a question.

Mr. HOFFMAN. I raised a question of the privilege of the House. The House has not passed upon that question raised by the resolution.

The SPEAKER. The House would have to decide that, and, in the opinion of the Chair, the House did decide the matter when it expunged the remarks from the RECORD. The Chair thinks, under the circumstances, that the proper way to reopen the question would be by a motion to reconsider the vote whereby

the motion of the gentleman from Mississippi [Mr. RANKIN] was adopted. The Chair is of the opinion that inasmuch as the question raised by the gentleman from Michigan was decided by a vote of the House on a proper motion, that he does not now present a question of privilege of the House or of personal privilege.

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes; and pending that, Mr. Speaker, I ask unanimous consent that general debate continue without limitation for the present, one-half to be controlled by the gentleman from New York and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3205, with Mr. GAVAGAN in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. NELSON].

THE PROBLEM OF YOUTH

Mr. NELSON. Mr. Chairman, during 16 years I have taken but little time on the floor of this House. I should not now take the time but for my faith in youth and my fear for youth. It is not my thought to condone or to condemn or to criticize. During the past week attention has been attracted to certain youth movements here in Washington. Mr. Chairman, I know youth. I live among young people. My home in Columbia, Mo., is surrounded by the grounds of the University of Missouri. My nearest neighbors are young men of a well-known national fraternity, and are my friends. I live within sound of 50 or 60 fraternity and sorority groups. Attending 2 nationally known colleges for women are 2,000 other students, practically every State being represented. Knowing young people as I do, I have no hesitation in saying that the noisy, the loud, the discourteous, a part of the group here a few days ago were not representative of the youth of America. [Applause.] They were no more representative of the youth of America than Jesse James was representative of his generation in Missouri.

It has been said that when a dog wags its tail, that is not news, but when the tail wags a dog that is news. I spent a good many years in journalism. It is the unusual that attracts attention. You and I know that one unusual, unruly Member of Congress may attract the attention of the entire country and bring others into disrepute. One preacher may make a mistake and his name gets into the papers, but little is said of the men of God who fearlessly perform their duties. One banker may abscond and the papers tell of his acts, but a thousand

bankers carefully and honestly look after their duties. You and I, if we have all of our teeth, have 32. We think only of the 1 that aches or gives us trouble. So with youth, we think only of the youth who is loud and who comes to Washington or goes elsewhere and makes what you and I know to be serious mistakes.

I wish we could have the enthusiasm of youth and the wisdom of age. I have had some experience with youth. In my home city we have a rather active pacifist or peace group. Two years ago, under the leadership of a young woman, who said she came from Vassar College, this group was against me in my home town and on election day picketed the polls against me, but against youth as a whole I hold no resentment. Instead, I want with all my heart to be of help. I do wish, though, that youth did not so freely fumble the facts. I like what Secretary Stimson said a day or two ago when he met a youth group just outside his office and suggested that they be sure of the facts.

"The Good Book says, 'Ye shall know the truth and the truth shall make you free.' That is what we need today in our country perhaps most of all—the truth."

I would emphasize that I hold no brief for the youth who is disrespectful. I have only condemnation for those young people who came here and booed and hissed the name of the President of the United States. I wish they might take a lesson from Mr. Willkie who, in his testimony before the Senate committee, when he was asked something about his opposition to the President of the United States in the last campaign, said, "But he is my President." That should be the feeling of every man and woman, boy and girl in America. I have no patience with "isms" in this country. There is room for Americanism and no other "ism."

If we are to learn what is the matter with youth, some youth; if we are to find a remedy, and correct the evil, we first must discover the cause. If they are wrong, who got them wrong and who can set them right? I doubt if we shall find very much of that cause among youth, confused as they may be in a world of chaos and change. Rather will it be found among the older people of our country. And it is about the older people that I wish, in part, to talk in the time that I am to take. There we must seek one of the sources of our troubles.

Mr. Chairman, again referring to young people, we owe it to them to deal frankly with them. Several came into my office a few days ago. I sincerely desired to hear their story and to influence them for right. I invited them to be seated. We talked together. As two or three acting as spokesmen expressed their views I said, "You are mistaken about this thing."

In fairness, we have to deal frankly with these young people. One of these young fellows said to me, "I believe we know something about this situation; we a way of finding out things." My reply was, "My young friend, you are confident now, but you will know a lot more 50 or 60 years from now, if you live that long.

I would rather take the advice of the greatest peace advocate in all the world, Secretary of State Cordell Hull, than to take your advice."

I am reminded of another young man who came to my office a year ago. He was from my home district. I had helped him secure a position at the airport. He came in complaining that he did not like the work. I suggested that if dissatisfied he should resign. At the time referred to the House was considering repeal of the Neutrality Act. Commenting, he volunteered the opinion that Congress was about to make a big mistake. My reply was, "If we do not take such action, then in my opinion Uncle Sam will have a different job for you." He answered, in effect, "I don't know that Uncle Sam will get me when he calls for me." Resenting the attitude and answer of this young man, big, strong, and a fine specimen of manhood, I asked, "Did anybody ever call you yellow?" He said, "No; nobody ever did." Then I asked him whether anybody ever called him a definite brand of yellow, the meaning of which is understood. He answered that nobody ever had. "I am telling you that while in the employ of the Government and holding the views expressed, you classify yourself as yellow. When you want to come back and talk to me as you should, you will be welcome, but my advice is that you go now and think it over." Before he went I asked him one question. I knew where he had attended college. It was not in my home city. I asked, "Is there a peace group in the college you attended?" He answered in the affirmative. He frankly stated that he had been affiliated with the group referred to. I said to him, "You have been under the wrong influence. Think it over." Now, here is what I am happy to tell you. About a month later that young man, honest, misguided for the time being, but splendid and fine, came back and said, "Mr. NELSON, I want to thank you for what you said to me," and the best part of the story is that he gave up his job and enlisted and is now in the service of his country. [Applause.]

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. NELSON. Yes.

Mr. TREADWAY. I am very much interested in the remarks the gentleman made about conditions in his home town. I understood him to say that at an election there were students who picketed the polling places. Would the gentleman care to explain that to the rest of us a little bit? It seems to me that was a very uncalled-for procedure on the part of those students.

Mr. NELSON. In the short time I have I shall explain it briefly. This peace group submitted a questionnaire to me about a month before the election, and three or four of them came to see me, among them the young girl from Vassar College. They asked me whether I was going to sign the questionnaire, and I explained that I never sign questionnaires of any kind.

Then, on my invitation, they sat down, and we talked pleasantly together for perhaps an hour. I asked, "Do you care

to have a statement as to my position? If so, I will be happy to give it to you. When do you want it?" They named the date. I dictated this statement to my secretary, and before the time specified my reply went to that group. Some 3 days before election, however, that group got out a statement to the effect that I had refused to make any public answer or to reply to them in any way.

Lest the wrong impression be created, I want to make it plain that the University of Missouri does not encourage the activities of peace action groups, such as referred to. Far from it. No university professor or college teacher in my home city and who may encourage doubtfully directed youth movements is representative.

Speaking generally, I should like to have a provision to the effect that every member of the faculty in a school supported in whole or in part by public funds must be a real American, believing in the flag and the things for which it stands. [Applause.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. NELSON. With pleasure.

Mr. RICH. As I understand it, in our State no one is permitted to picket the polls. I wonder if in the State of Missouri they are permitted to do that?

Mr. NELSON. I believe there is nothing to prevent it so long as the pickets stand back the required distance from the polls. I may add that on the morning in question the local police, good friends of mine, members of the Veterans of Foreign Wars and the American Legion asked me, "What do you want to have done?" I said, "Nothing. Just see that those young people, misguided as they are, observe the law; take their names and addresses."

You and I have to remember that it is disease and not health that is contagious. In dealing with young people we have to try to get the dangerous element out. Most of that dangerous element is to be found among the older groups in this country rather than among the young people themselves. [Applause.] One thing we need is more of the influence of Dan Beard and less of the influence of Harry Bridges. [Applause.]

You remember the parable in the Bible of the lost sheep. It was not a lamb that went astray. It was a sheep that was lost.

I have been interested in the story of the prodigal son. I never thought a great deal of that boy. He reminded me of my own boyhood. I dare say that you and I—and we are only common, everyday people, after all—when we got home from the district school, if you traveled the distance that I traveled in going to school and returning home, probably asked two questions when you got back home. The first question was, "Where is mother?" And the second question was, "Can I have something to eat?" Yes; it was "can." No; I never thought so much of that prodigal son. He just got hungry and went home. Reading that story, I am thinking of the greatest personage in all the world, a homekeeping mother, the mother who kept a home for her boy when he got ready to come back home. [Applause.]

My friends, if we seek a cure for some of the dangers of youth today we have to go back to those old Christian mothers and fathers. I have spoken of university training. I addressed a group of young men in the University of Missouri not long ago. I said, "Fellows, if I had my way, alongside of every university of learning in the United States I sometimes feel that we should set up a university of unlearning. All of us need to go back to the shop or to the farm or the old home and once more get our feet on the ground."

Let us consider some of the things that have affected youth. When the first census was taken America was an agricultural country. Today we are an industrial nation. The father once worked with his son in the shop, on the farm, and elsewhere. Today there is but little father-and-son comradeship even on the farm, for machinery has largely come to take the place of men.

Modern conveniences have separated the family. I can recall when I was a boy on the old home farm, the fireplace, I can see my father on one side, my mother on the other, and six boys gathered around in the family circle. Today with modern conveniences, with comforts in every room, the family is largely separated. Here is one trouble: The modern home has become too much of a filling station instead of a service station. [Laughter and applause.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. NELSON. With pleasure.

Mr. RICH. Does the gentleman know of anything that we might do in the home to get the boys and girls to want to remain in the home and reestablish in the home, like I had in my boyhood days, the old family altar, when my father and mother brought us together every night and brought us into the library of the house and spoke to us and talked to us and then we had a reading of the Bible and a prayer? Sometimes that prayer was a little too long for me, but I shall never forget it as long as I live. I believe we should have some of those things in the home today, that if we had those things which would cause the children to come back we should probably get a whole lot further than we should by having so many taprooms. What does the gentleman think about that?

Mr. NELSON. In reply to my good friend, the gentleman from Pennsylvania, I may say that while I was reared in much the same kind of a home, I realize that we probably cannot in all respects return to the home conditions of the old days, but we can keep the old home influence, we can continue the comradeship between the mother and father and the young folks in the family. This will help solve the youth problem. We shall never solve it by law alone. There are a lot of things we have mistakenly attempted to do by law. We have made many mistakes, but after all we can very largely overcome evil with good.

One thing we must do is to provide the young people of this country with some location, some spot he can feel he has an interest in. The boy or girl who plants a flower or tree or helps build a

home, and who in later life knows he can come back to that spot and say, "Here is where I was born; here is where I lived," will seldom go the way that some of those in the group to which I have referred are in danger of going.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I yield 10 additional minutes to the gentleman from Missouri.

Mr. NELSON. Mr. Chairman, I do not know who the young people were in this group that marched around Washington last week. It is not for me to say. I do not know how they spell their names; I do not know their nationalities; I do not know whether their parents were native-born or whether they were the sons and daughters of people who came to this country seeking refuge. Many of them may have been children of foreign-born, but I say to you in all frankness, Mr. Chairman, that this is not the question. A few of the worst aliens in America were born here, and some of the best citizens we have come from foreign countries. [Applause.]

We do not want to find fault with a man just because we cannot spell his name or pronounce it. It is not the State but the state of mind that counts. At this time especially we need to take off the blind bridles of greed, hatred, and prejudice of race, creed, and kind, and be a nation united.

Speaking of the noisy ones in the youth groups, I will tell you of some I do not believe were there. I will wager that there was not a Boy Scout in that group. I will go further and venture the assertion that there was not a Scout of any kind in that group, and not one Campfire Girl. I do not believe there was a 4-H Club member in that group. I feel confident that there was not a Future Farmer in that group. I do not believe there was one son of a member of the Veterans of Foreign Wars in that group. I do not believe there was one son of a member of the American Legion in that group. Were I to attempt to classify them I would say that there were a few who were radical and were radically wrong, some who came just for a joyous lark, and others who came through gross ignorance and who had been terribly misguided.

As to that ilk in this country, as to those teachers of un-Americanism who purposely misdirect the youth of America, I would have them punished to the full extent of the law, and I would have the law just as strong as we could make it. There is nothing too severe for men who endanger the morals and the lives of our young people.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield.

Mr. RICH. Speaking of these people who have not been naturalized, I quite agree with the gentleman; but it seems to me that if the 5,000,000 people we just registered as aliens wanted to become good American citizens they should seek naturalization. If they like this country as a place to live, if they like our life and institutions they should affiliate themselves with us. If not, when the time expires they ought to go

back to their own shores and not remain here. If they want to stay here they should become naturalized and become good, sound American citizens.

Mr. NELSON. I agree with the gentleman. I believe that the man who enjoys the benefits and privileges of America should share in its responsibilities and be a real American citizen.

I cannot quite understand, Mr. Chairman, the attitude of many of the youth today who are out of step, so to speak. At no other time in the history of our country has as much been done for young people as during the Roosevelt administrations. More than 2,000,000 young men have gone through the C. C. C. camps. I believe in these camps. A few years ago, when an order had been prepared to close 500 of these camps immediately with the closing of others to follow, I was named as one of a committee of 8 along with the gentleman from Oklahoma [Mr. NICHOLS], and the gentleman from Oklahoma [Mr. JOHNSON], and 3 or 4 others, to see that the camps were not closed. For 2 days we made every effort to have that order rescinded. It was rescinded. The camps have gone on.

Young people have been built up physically, mentally, and morally. Boys and girls in large numbers have shared in the benefits of N. Y. A. Many splendid school buildings have been erected. In practically every town with any considerable number of young people we have an athletic field or gymnasium. In short, much, very much, has been done to help the boys and girls who are to be the men and women of tomorrow. So I say again I cannot understand how the few that are finding so much fault fail to show appreciation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I am happy to yield to the distinguished majority leader.

Mr. McCORMACK. The Social Security Act was amended last year, and properly so, taking the family as a unit for benefits, rather than the individual, as formerly. That is in line with the suggestions the gentleman has made.

Mr. NELSON. I thank the gentleman for his observation.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. How much does the gentleman from Missouri believe the Government could wisely or properly spend on one boy?

Mr. NELSON. The gentleman has asked me a question I cannot answer. I am sorry.

Mr. GIFFORD. May I answer it for the gentleman?

Mr. NELSON. I do not want to engage in a discussion with the gentleman at this time.

Mr. GIFFORD. The gentleman spoke of the 500 C. C. C. camps that were once to be closed by Executive order. It cost us at one time \$1,200 per boy—now over \$1,000 per boy. That is pretty liberal. Can we not do quite a bit for a boy for \$300? The N. Y. A. gets only \$150

compared with that. What justification can the gentleman give?

Mr. NELSON. I personally would not attempt to measure the worth of a boy. No one can do that. I would not take a million for mine.

I come now to one question: What are you and I doing—I do not mean as Members of Congress, but as individuals—for boys? I go down the street and see a scale. It says, "Drop a penny in the slot and weigh yourself." By the way, I notice the makers have changed the pattern somewhat. The old dials were big as dinner plates. Now they are small as watch crystals and are half hidden.

Incidentally, I am told that a great many more women are weighing themselves since the change was made, now that recordings are not so public.

It would be well for you and I to weigh ourselves today. I do not mean to determine our weight in pounds. Instead, suppose we stop and ask ourselves: "What do I weigh as a friend of boys? What do I weigh in the minds of the youngsters of my own community? What do I weigh in the eyes of youth if the youth of America knew what I had done or had failed to do?"

Mr. Chairman, in conclusion I would urge that, along with military preparedness, moral preparedness be stressed. Let us not only keep our military-training camps clean but keep clean the surroundings for the young men who go into these camps. We can have the swiftest planes, the most powerful guns, and the largest battleships, but unless they are manned by real men they will avail but little.

In conclusion and in an appeal for aid to all youth, the good, the misguided, and those of evil intent, if such there be, I would urge as appropriate action for each of us:

Let me not sit in a house by the side of the road and be a friend to man.
Let me get out in the road by the side of a boy and help him all I can.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I have followed the course of the so-called aid-to-Britain bill here in the House last week very closely. I followed the statements that were made on behalf of it before the Committee on Foreign Affairs prior to the time it came here.

Yesterday and the day before it was my privilege to read the statement that Mr. Wendell Willkie made with reference to that measure. I noticed one thing, and it made a considerable impression on me: Mr. Willkie seemed to have a very definite idea of what he wanted to do for Great Britain. He wanted to give Britain from 5 to 10 destroyers a month. He wanted to give them airplanes in very considerable quantities. He wanted to supply them with everything that we could, and he was quite definite about what he wanted us to do. I could not help but contrast that position with the position taken by the President of the United States in the messages that he has sent to us, with the statements that were made by Mr. Hull, with the statements made by Secretary Morgenthau, with the statements made by Secretary of War Stimson, and with the statements

made by Secretary of the Navy Knox. They all wanted to give aid to Britain, but it was impossible to tie them down to what they wanted to do.

I am not endorsing all of the statements that Mr. Willkie made because, frankly, I do not know enough about the situation to have a definite idea upon the needs that might be there or of the capacity of our Government to provide them; but I do admire the frankness of Mr. Willkie in stating just where he stood as compared with the impossible-to-put-your-finger-on statements that were made by the administration all the way down the line and by all the proponents of the bill.

Mr. Chairman, I feel those things and that attitude of the various ones who have made statements upon the subject ought to be brought to the attention of the country. It is a serious thing when you have no definite idea of what you want to do yourself to ask the Congress to give you the power to determine what ought to be done. That is something which bothered many of us. It is something that kept us upset. It seemed to me all the way through that we should have had from the administration and those in the Cabinet a definite, positive statement of what they wanted, and the legislation that was brought before us should have been based upon a definite, positive statement rather than upon an indefinite attitude.

Mr. RICH. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. RICH. On Mr. Willkie's recent visit to England evidently he has been informed by those people over there just what they want and what they need. Does not the gentleman believe that if we want to aid Britain we ought to give them the things they need, provided we can, and if we have not got them those ought to be the things that we should try to get ready for them in order to give them the greatest amount of aid that we can?

Mr. TABER. We ought at least to have that much in mind.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think the gentleman has touched on a very vulnerable point, as far as the Congress is concerned, for it has been my observation that there has been a lack of factual information upon which we could base a correct conclusion with reference to the merits of the legislation.

Mr. TABER. Or to draft legislation.

Mr. AUGUST H. ANDRESEN. Yes. The gentleman referred to those who are running the affairs of the country, who give us a conclusion based upon secret information they have, and they expect us to swallow the conclusion without having the facts.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that even in England Winston Churchill had to go before the Parliament and ask it for permission to do certain

things, and he had to justify everything he has done?

Mr. TABER. That is true as to most things, but not entirely. He has been given broad powers that are generally not given to any administrator in England.

Mrs. ROGERS of Massachusetts. But it is true that he is called before the Parliament if it wants him to justify anything?

Mr. TABER. That is correct.

Mrs. ROGERS of Massachusetts. And also is it not true that under the lease-lend bill as it passed the House it virtually makes the President the director of the war, so far as the so-called Allies are concerned. This bill, H. R. 1776, gives the President the greatest potential power any leader ever had. He may be not only the Commander in Chief of the American Army and Navy, but the commander in chief and dictator of numerous foreign armies and navies. If he does not want to give anything to a certain country, he may say, "I will not give it to you unless you will do so-and-so and so-and-so."

In the hearings administration witnesses stated that the President is a good trader; it is obvious that he is expected to trade. The powers granted to the President are very broad and may have extremely far-reaching and dangerous effects. Those powers, if unwisely used, may embark us in a 20-year war, involving us in a vast expenditure of money and a staggering toll in loss of life and human misery.

Mr. TABER. He is put in a position where he can take that position before he hands over anything, if he wants to. I am not saying that he would do that, because I do not know. I would hope that he would not even attempt that.

Mrs. ROGERS of Massachusetts. And there was nothing in the bill that really insured that England would receive even a nickel.

Mr. TABER. That is true. There is no definite statement as to what countries would be helped.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman from New York has referred to the statement by Mr. Willkie that this country should give from 5 to 10 destroyers a month to England in the future. He has criticized certain officials of the Government for not speaking out definitely. I notice in the press this morning that Secretary Knox, who is the man who is presumed to know about the Navy, says that it would be disastrous if this country were to give away any more of its destroyers at this time. Mr. Willkie retorted that he talked with a high authority in the Government after he made the request for the 5 to 10 destroyers. The press, commenting on the matter, states that Mr. Willkie only talked with one official in high Government authority after he gave his 5 to 10 destroyer testimony and before leaving Washington, and that authority was the President. So if we use any logic at all and can believe the press, we must agree that Secretary Knox says it will ruin us to part with additional naval destroyers. Now, if the President

advised Mr. Willkie, then whom are we going to believe, the Secretary of the Navy or the "high authority" referred to by Mr. Willkie?

Mr. TABER. It is impossible for me to tell. Of course, Secretary Knox would not have anything to say about what should be given away. It would be up to the President entirely, under the British bill that was passed.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Are we to understand that the gentleman approves the position taken by Mr. Willkie?

Mr. TABER. No; but I was admiring here his frankness in telling us just exactly what he wants to do, as compared with the administration's secrecy as to their position and their intentions and their failure to come before the Congress and give us frankly a statement of what they might want, so that we might prepare the legislation accordingly, and that was the thing that bothered me as much as anything about the legislation. It does not seem to me that a man who is asking for as broad powers as the President did should take the position that he did and ask for these powers without making to us a definite and positive statement as to what he thought ought to be done. That was the thing that bothered me.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield myself 1 more minute.

Mr. CASE of South Dakota. Does the gentleman think that it is the responsibility of the Congress of the United States to provide what English statesmen tell American visitors they want or to provide for England what our naval experts say we can spare?

Mr. TABER. I think it is the province of the Congress, if it feels that it should give aid to Britain and it is going to pass on what should be given, to find out, taking all the circumstances into consideration, what we can afford to spare and not what somebody else wants. I do not know what I would say if I had all the facts before me. It might be to our advantage to give to Britain what she is asking, but I do think that those in authority should be definite and positive.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, I rise to extend my sympathy to the Republicans in their present quandary. I can sympathize with my friend from New York because it is pretty difficult to find something to stand upon in order to squarely differ with the administration in its efforts to help democracies against aggressor nations. These statements of my friends on the left are alibis—merely alibis. This very charge that members of the Cabinet and the President are being vague is evidenced by the speaker himself. He says he does not approve of what Mr. Willkie says and he does not disapprove of what Mr. Willkie

says, but he takes a middle ground and admires his frankness, being guilty of the very sin he imputes to members of the administration.

Of course, I can understand the gentleman's difficulty. I read in the papers this morning where Mr. Dewey, whom many good Republicans thought was going to come out squarely against the lease-lend bill and thereby make an issue between himself and Mr. Willkie, has rather disrupted their plans and gone over with the President and Mr. Willkie and is for all-out aid and for the lease-lend bill. Of course, this makes the opposition party a bit impotent and there is no wonder they get querulous and want to pick a quarrel with the strong.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I will.

Mr. TABER. Mr. Dewey did not come out square-toed for the lease-lend bill because he feels that the bill should be amended so that it would be more definite and more certain, and he so stated last evening.

Mr. CASEY of Massachusetts. He is another "yes-but" man, then [laughter], which reminds me that yesterday the Republicans celebrated the birthday of Abraham Lincoln and Abraham Lincoln, just before his death, was assailed by members of the Republican Party as being—and listen to their terms, haven't they a familiar ring—a defiler of the Constitution, a warmonger, and a dictator. So today we hear the same words applied to our leader, but I say that time will prove that the present Commander in Chief, whose splendid stand in behalf of democracy and whose wonderful powers of leadership have put us squarely where we belong, against aggression and for democracy and for the decent people of the world—time will give to him a niche among the immortal Presidents. Those who criticize him will be merely like little puppy dogs barking and yapping at the heels of a splendid stallion. Their criticism will be lost, and they will merely go down in history as a part of a captious body that criticizes a great man, with no substance whatever to their criticism.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. Yes.

Mr. McCORMACK. Bearing on President Lincoln and what the gentleman has well said, President Lincoln was bitterly assailed by his own party in the north and by the press of the north as being a destroyer of the Constitution. He had a task as Commander in Chief to preserve the Union and he did it fearlessly. He ordered the partial conscription of 75,000 men without going to Congress. He blockaded Sumpter without going to Congress, and utilized an appropriation that Congress did not authorize for other purposes, all in defense of his country, and yet in his day he was vilified by his own party in Congress and the contemporary history of his day clearly supports the fact, while today he stands immortal as the savior of the Union.

Mr. CASEY of Massachusetts. I thank the majority leader for drawing what

must seem to the Republicans a deadly parallel between the conduct of Mr. Lincoln, and the conduct of our present great President.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. Yes.

Mr. RICH. The gentleman said that those who criticize this administration will be like dogs running after the heels of a horse.

Mr. CASEY of Massachusetts. Oh, I did not mean to throw a bone to the gentleman. That was a figure of speech. He should not be so literal. [Laughter.]

Mr. RICH. If the gentleman did mean such a thing, I want to give you a statement of the Federal Government, and I want you to take that statement the President made when he was campaigning in 1932 when he said that he would reduce the expenditures of the Government 25 percent—

Mr. CASEY of Massachusetts. Oh, the gentleman surely read what Mr. Willkie said about campaign speeches.

Mr. RICH. And yet no man has ever squandered more money than this man did in so short a time. I am opposed to these things, this great squandering and wasting of taxpayers' money. It is not sensible or justifiable. Think of being in the red over twenty-six billions in 8 years. Where will you get the money?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CASE of South Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I will not add to the Willkie controversy; he may be the Democratic candidate for President 4 years from now. I wish the attention of the gentleman from Missouri [Mr. NELSON]. He wanted us to weigh ourselves as to our attitude toward young people, and I say to him that I have weighed myself constantly. I taught school for many years, and I visit schools frequently every year. I yield to no man in my anxiety about those young people nor my love for them. I am opposed to spending \$1,200 or even \$1,000 of our money for one boy, when so many other boys who have great promise cannot get even \$150 from the N. Y. A. When the C. C. C. camps came into being I visited them often and watched their progress and activities. I tried to convince myself of the justification of the great expense involved. Two of those camps in my vicinity soon folded up. Practically the entire expenditure, as far as work performed is concerned, was entirely wasted. We are told that 50 percent of the C. C. C. boys actually do take some study period in the evening. I doubt if there are half that number. Every one of them should take study periods some evenings of each week. I have seriously considered this expenditure, and I think better results could be obtained at half the amount, and the boys would receive healthful exercise, education, and the same amount as is now paid for relief of their families. Each 200 boys could have 20 tutors for 6 days a week. I placed the figures in the Record not long since, but at present pub-

lic sentiment seems to be in favor of present methods, not realizing the great cost involved. In the wintertime many of these camps can perform but little work. I have visited camps in Virginia where they boasted about forestry and the great improvements that had been made. If I am any judge of forestry, there was anything but improvement; only denuded rocky hills. I know that you can go into several localities where there has been done profitable work on reclamation and reforestation, but a contractor could have done it for a fraction of the cost. Certainly I want to help those boys, but I think it is high time we woke up to the enormous and disproportionate expense involved. Let these boys who show real promise and can get not over \$150 a year from the National Youth Administration be given a chance. We should now inquire whether \$1,000 or \$1,200 per boy has been wisely spent. I wish my committee on expenditures could get to work and look into this, to see whether this function of Government is a proper outlay in certain sections of the country, at least.

In spite of my sympathetic interest in young people, I think we have gone pretty far without proper investigation. It is time it is looked into to see where it can be justified by its results. It is political "gravy" in some places, and some States have altogether too many camps. In many places they may be very useful. But it is now proper to reduce them, in view of recovery and huge defense expenditures.

I also desire to agree with another statement which the gentleman from Missouri [Mr. NELSON] made. We have heard much unfavorable comment about aliens and the demand for laws against aliens. Many of our older so-called aliens were and are good citizens. I refer to those who came here years ago. They were honest and hard working. Banks would loan them money. Many of the second generation, although born here, do not compare either in industry, honesty, or qualities of citizenship. The girls of the second generation seem far superior to the boys. However, I expect great progress from the third generation. I am hopeful. But do not be too hard on these aliens who have been here a long time just because they possibly cannot read and write well. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I ask to proceed for 1 additional minute. The gentleman wanted to ask me a question. I do not want to avoid his query.

The CHAIRMAN. Without objection, the gentleman is recognized for 1 additional minute.

There was no objection.

Mr. GIFFORD. If the gentleman now wishes to embarrass me, I would be glad to have him do so.

Mr. ZIMMERMAN. I have no desire to embarrass the gentleman. I only had a desire to assist him. [Laughter and applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. BOLAND] 10 minutes.

Mr. BOLAND. Mr. Chairman, I have been disturbed lately by the numerous bills that have been placed in the hopper pertaining to labor in this country, particularly organized labor. There seems to be a sentiment permeating the House that labor has to be curbed; that certain legislation has to be enacted that will be detrimental to labor organizations who have fought so long for the recognition they have received at the hands of this administration. Being disturbed, as I say, I interrogated some of the officials of the American Federation of Labor about these bills that are being put in here that are antagonistic to labor and their organization. On the day before yesterday in the city of Miami, Fla., the executive committee of the American Federation of Labor unanimously adopted the following statement that I want to read to you Members, which I think is very, very pertinent to the situation as it prevails in the House today. With your permission I will read it:

Organized labor is unalterably opposed to antistrike or compulsory arbitration legislation in any form whatsoever. Labor has always regarded compulsory work or service as violative of our cherished liberties and in direct violation of the thirteenth amendment to the Constitution. The question of forced labor was settled by the Civil War and should not be revived at this time.

The American Federation of Labor is in full agreement with the present policy of our Government in providing adequate defense for this country, in safeguarding the rights and liberties of our neighbors in the Western Hemisphere, and in assisting Great Britain and her allies to withstand the aggression of the totalitarian powers and thus defending the principles and ideals of human rights, freedom, and of democracy.

The American Federation of Labor has proven its loyalty and patriotism on more than one occasion. In previous emergencies, whether in time of peace or war, the American Federation of Labor and its affiliated unions have always been found ready and willing to aid our Government in its defense and in the promotion of the welfare and well-being of our people. There is no reason to question their loyalty on this occasion and in this emergency.

We regret that there is, as in the last war, a movement on foot to limit, curtail, and destroy established and fundamental rights of the workers in this country. Opponents of organized labor see in this emergency an opportunity to tear down rights acquired by organized labor in struggles over the years and which have now become the established policy of the Nation.

This antilabor policy manifests itself in the submission to the present Congress of numerous bills dealing with the subject of labor and defense industries. It would be difficult to make detailed comment respecting each bill. In the main, they profess to deal with obstacles in the way of continuous production. In truth, they seek to prevent the exercise of fundamental rights of organized labor such as the right to self-organization, to form, join, or assist labor organizations, to bargain collectively, to engage in other lawful concerted activities for the promotion of the welfare and living standards of workers. It is now the settled policy of this country that these rights are constitutionally guaranteed. Yet an examination of the bills referred to indicate conclusively that the foregoing rights would be curtailed, invaded, and in many instances completely annihilated. The most common means by which these bills seek to deny organized labor its fundamental rights is

to provide for so-called cooling-off periods. During these periods no strike or stoppage of work may take place. However, it is apparent that the real purpose is not a cooling-off period but rather to impose upon organized labor compulsory arbitration.

The American Federation of Labor is unalterably opposed to compulsory arbitration in any form. It is contrary to every basic principle of Americanism. The adoption of the principles of compulsory arbitration would be to adopt that which the defense program is set up to defeat. The enactment of compulsory work legislation can only result in industrial confusion. The ensuing period of industrial unrest would do more harm to the defense program in the important months ahead than could possibly be undone by years of rigid enforcement of a statute that would be the very essence of slavery.

The British Government in its present hour of test and trial has found it unnecessary to resort to antilabor legislation. Instead it has appealed to the heart and mind of labor. As a result, labor in Great Britain is giving service of the highest order and of the most valuable kind. If Great Britain, at a crucial moment, the most critical in all its history, has found it unnecessary to resort to antilabor legislation, why should the Congress of the United States do so? Labor in America will give service on a voluntary basis just as labor in Great Britain is doing.

The American Federation of Labor is anxious to cooperate with the Government for the promotion of efficiency in production and for the elimination of obstacles to continuous production. We recognize that the present war is one of machines and of men who make them. We appreciate that efficiency and regularity in production are essential for the establishment of our own adequate defenses. We understand, too, that it is essential for the preservation of American democracy that Great Britain win the war and that for her to do so America must supply her with materials, machines, and weapons. Organized labor has demonstrated in the past and will demonstrate again that superiority in efficiency can and will be maintained by voluntary action on the part of workers employed in industry and without compulsion of any kind.

Organized labor has indicated its willingness to conciliate, mediate, and voluntarily arbitrate its labor differences. If the same disposition is shown by employers, the Nation is assured of the practical elimination of labor strife.

In the last war, a board with equal representation on the part of labor and industry was created by Presidential proclamation and not through congressional enactment. That Board and its procedure were devised to protect the rights of free enterprise and of free labor. It brought about conferences on the part of the employers and workers and their representatives. Through procedure, the basis of which was wholly voluntary, the parties met and adjusted their differences. The history of the last war proves the effectiveness of this method. Industrial unrest was practically abolished and both the employer and labor cooperated with the Government in its production and war program. There is no reason for adopting any different method with respect to the present defense program. In such a program, the Government will have the wholehearted support of the American Federation of Labor and its affiliated organizations.

[Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BOLAND] has expired.

Mr. KEEFE. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I trust that the remarks of the gentleman from Pennsylvania, Mr. BOLAND, do not indicate that he thinks the Congress has no responsibility on the subject of labor legislation in this session. If the gentleman thinks that the American people are satisfied with the present status of labor legislation he is badly mistaken. The number of bills that have been introduced, to which the gentleman made reference, may well be taken as a sign that the American people are far from satisfied with the present situation.

Each day sees an increasing number of defense industries delayed by confusion and uncertainty in the field of labor relations.

Each day sees an increasing number of problems that can be traced to incomplete, lopsided legislation now on the statute books.

For instance, the other day my attention was called to a decision to the effect that although the employer could be required to deal with a majority union after an election, yet the laws provided no protection for that employer if a minority union, not satisfied with having lost control of the collective bargaining in the plant, decides to strike and picket. So some industries are confronting a situation where, though they seek to negotiate with a majority union, yet they find themselves picketed and hampered in production by the activities of the union which lost the election.

More than that, in the decisions which are extending the definition of "interstate commerce" to include practically all kinds of business, even though a majority of the actual business of the company is within a State, we are seeing the destruction of opportunity for small businesses in this country. Those who have any concern with the future of the country or the future of labor and future employment should be interested in the development of small industries.

In this connection, I call attention to the following recent decisions of the National Labor Relations Board, which may possibly have escaped your attention:

First. A flour-milling firm sold entirely within its own State. It was found subject to the Wagner Act because some 18 percent of its raw materials were imported from other States—Capitol Milling Co. (28 N. L. R. B. No. 166).

Second. A retail store of mail-order company, making all of its sales within one State, was found subject to the Wagner Act because some 40 percent of its purchases were made outside the State—Montgomery Ward & Co., Inc. (28 N. L. R. B. No. 145).

Third. A local dairy, selling all of its products within one State, was held subject to the Wagner Act because 95 percent of its products were purchased through the local office of a wholesale dairy company whose plant was located in another State, the products being shipped to the local dairy by truck daily from the wholesale unit's out-of-State plant—Kudile Bros. Hasbrouck Heights Dairy (28 N. L. R. B. No. 20).

Unless Congress acts to change the law or to define "interstate commerce," there is no activity or business whatsoever that will not be brought under the

supervision and control of the Federal Government.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOFFMAN. I presume you noticed the decision where two affiliates of the A. F. of L., both employed by the same corporation, were disputing the right as to which affiliate should lay the linoleum in the plant? Both belonged to the A. F. of L., yet the strike was on.

Mr. CASE of South Dakota. Yes. Did the present labor laws give the employer any protection in that conflict?

Mr. HOFFMAN. None at all.

Mr. CASE of South Dakota. However, the labor question is not the question which I rose to discuss at this time.

OUR PRESENT GOLD POLICY

I want to direct the attention of the Committee to the pages of the hearings dealing with the acquisition of gold. In the hearings on the portion of the bill dealing with the Treasury Department, pages 16 and following, and in the testimony of Mrs. Ross, Director of the Mint, on pages 723 and following, you will find some very interesting information dealing with the gold-purchase program.

In a statement on page 18 by Mr. Bell, Assistant Secretary of the Treasury, the method of making purchases is explained. Mr. Bell, answering the question on the purchase of gold asked by the gentleman from Indiana [Mr. LUDLOW], chairman of the subcommittee, said:

Mr. BELL. An importer of gold will, for example, bring his gold to the assay office in New York and present it for sale. A check in payment for the gold is drawn on the Treasurer of the United States on a so-called bullion fund, a check about like any other Treasury check. That check then comes in through regular banking channels and is charged to the account of the Treasurer with the Federal Reserve bank and the proceeds are credited to the reserve account of the presenting bank.

Then we reimburse the Treasurer's account by issuing gold certificates and depositing those gold certificates with the Federal Reserve bank, the amount of which is credited to the Treasurer's account. In other words, the gold in effect pays for itself.

In one sense, the gold seems to pay for itself—but I fear that this method does not achieve that very desirable objective. That is because when we prohibit the possession and use of gold, the interest of the citizen and the interest of the world ceases when its gold for sale has been converted into goods or credits. When we reach the point that we have all the gold, the world will turn to some other means of settling trade balances until it can force us to disgorge on its terms. That process may be very painful for us. [Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I yield 4 additional minutes to the gentleman from South Dakota.

Mr. CASE of South Dakota. Everyone knows we are buying and hoarding the world's gold. The Congress should face the situation that will arise if we continue the prohibition against its private possession and use. Mr. Bell testified that we have now about 70 percent of the gold of the world. I think the figures on our holdings at the present time are something over \$21,887,000,000. We are rap-

idly approaching the condition I described in debate on the monetary bill a year or two ago when one boy gets all the marbles. What are we going to do when we get all the gold of the world and the world decides that it will play some other game?

Thinking about this problem in the Seventy-sixth Congress, I introduced a bill and have reintroduced it in the present Congress which would require the coinage of gold and the use of gold coins in paying for the gold we buy. This would automatically make possession of gold legal not only on the part of our own people but would increase its use in international trade. A section of the bill (H. R. 2239) reads as follows:

Provided further, That the Secretary of the Treasury shall provide for the coinage of gold coins of the value of \$10 and \$20 each for the purpose of paying for gold purchased under the authority of section 3700 of the Revised Statutes as amended, and for the purpose of redeeming gold certificates.

The effect of this would be to legalize the possession of gold, and increase its usefulness. In truth, the gold will then pay for itself. It seems to me our present policy threatens to destroy the very thing we should seek to maintain which is the value of the gold we have bought. The first step in achieving a better distribution of gold is to coin it and use it in paying for new purchases. That will legalize its possession and lead to using our stocks of gold to pay other bills. Eventually it will be sufficiently redistributed to restore international use and interest in maintaining its value.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. CUNNINGHAM. Then the effect of the gentleman's bill would be to establish a gold standard?

Mr. CASE of South Dakota. Yes; it would.

Our gold situation has produced peculiar situations. For instance, during the past year Congress appropriated \$1,908,000 for the purpose of moving gold from New York to Fort Knox. That may have helped to avoid a deficit in the Post Office Department, because they bought postal money orders to transfer that gold. Personally I believe the gold could have been transported in Army trucks at substantial savings, but it would have been even better to put the gold to work.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mrs. ROGERS of Massachusetts. Can the gentleman tell us how much gold is on deposit in this country held to the credit of Great Britain and the British Empire?

Mr. CASE of South Dakota. I cannot give the gentleman those figures, but she may find some information on that subject in the hearings. Incidentally, I understand that a very interesting gold exhibit is now on display at room 7064 in the Department of Commerce Building. It is said to be of special interest to those who are interested in the place that gold plays in foreign trade.

Mrs. ROGERS of Massachusetts. At any rate, the gentleman's plan would help England, would it not?

Mr. CASE of South Dakota. It would. It would not only help England and other countries of the world whose troubles are caused in part by the break-down of international exchange but it would help the United States, about whom I am most concerned. The world naturally wants to use gold as the common denominator for international trade because the experience of generations has shown it to be the best medium. But, if other countries do not have enough for that purpose, they will, of necessity, use something else. There must be a sufficiently general distribution to maintain a common interest in its valuation.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Louisiana [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I desire at this time to call to the attention of Congress certain statements made in the recent report of the Secretary of Agriculture which has just been released pertaining to the sugar industry and sugar farmers.

It is obvious to all of us that this country in common with the rest of the world is now passing through a period of very great strain and that due to international relations there will very probably be an intense strain upon our national economy during the emergency which will continue as long as the present very dangerous and extraordinary situation prevails. The development of our national-defense program has naturally tended to concentrate our national income and wealth into industrial centers through the medium of the large funds we appropriate in Congress. It is therefore very timely and important that the Members of this Congress should at this time examine the situation with regard to the condition the farmers of the United States find themselves in.

If the people of this country have learned anything, they have certainly learned that the purchasing power of all sections and of all groups that go to make up this country are equally important, and I hope in the discussion of this question no one will raise the point that consumers are a body apart from the producers. We are all consumers. We from the rural sections consume the things manufactured in industrial areas. We purchase the automobiles and farm machinery manufactured in industrial areas, and we consume the products of the Middle West, we consume the beef of the Great Plains and the products of the mountains. You consume our products. We are all part and parcel of the same social group. We have learned, or at least should have learned, that what benefits one benefits all, that what injures one injures all. Truly we are all members one of another.

We all recall that one of the great contributing factors to the financial crisis of 1929-30 was the break-down of the purchasing power in the rural areas of the United States, of the farmers of the United States, and if we in the farming areas cannot purchase what industry produces then there ensues a stagnation in trade and commerce.

Mr. Chairman, my remarks have been prompted, as I previously stated, by the report of the Secretary of Agriculture for 1940, and especially that chapter dealing with the sugar program. This report uses several phrases that are indicative of a possible tendency that may be of extreme concern to all of us, and I am dealing at the moment with the concern felt by the sugar farmers of continental United States. This report, for instance, mentions parity levels.

When the farmer speaks of parity, he has in mind the purchasing power of his dollar. He wants to know what his dollar can buy. The report indicates that parity levels of the sugar farmer have been maintained, but as you read the article you will see that it does not deal with parity prices at all but deals with parity income, which is an entirely different thing. I figure today that parity for raw sugar would mean 5.14 cents per pound, but now parity for the period from 1909 to 1914, which has been accepted as the yardstick, is 4.02. The price of raw sugar in 1940 was 2.79. However much may be the gross income of a group, that income is not at parity unless it conveys to the individual farmer the purchasing power that the farmer means by parity.

There is in this report a phrase to which I wish to direct your attention, and incidentally may I say that I have secured permission from the House to include this chapter on the sugar program in the revision of my remarks, so that those of you who are interested may see just what language I am talking about. The statement refers to the "excess marketing of domestic sugar."

Mr. Chairman, that is a most significant phrase. Words in and of themselves might be meaningless and are meaningless except for the ideas they stand for. What is the idea behind this phrase, "Excessive marketing of domestic sugar"? It has always occurred to me, Mr. Chairman, that this market of ours in the United States belonged to us people of the United States.

I can see how the farmers of the United States could come before the Department of Agriculture, or the appropriate committees of the Congress of the United States, and claim that aliens and strangers from another country are marketing an excess amount in our markets; but I fail to see what justice there is and upon what possible interpretation of our laws and of our rights any official of this country can refer to a marketing by United States farmers in our market, marketed under the laws and in accordance with the laws enacted by this Congress, and under rules indicated by the Department of Agriculture as "an excess marketing of domestic crops." The phrase is ominous. We insist that people from other countries—people from Cuba, the Philippines, and other countries—for purposes and reasons of the national policy that are deemed wise to us, may be permitted to market their products in the United States; but they are here by our will and upon our sufferance, and I object to any official document of the United States expressing the thought that the farmers of the United States have been marketing

an excess amount of their domestic products or crops in the markets that belong to the people of this country.

I am perfectly willing to go along with any program that has been reasoned out and worked out by the Congress and agreeable to our people, but we must never consent to the use of any phrase that has behind it the idea that any foreign country or the nationals of any foreign country have a vested interest in our American markets.

The Department in its report also refers to small producers against the large producers. If this is what the Department of Agriculture wishes to stress, I would respectfully call attention to the fact that there are 17,500 sugar farmers in the State of Louisiana, and there are 500,000 people directly dependent upon the sugar-farming industry of that State. This is no recent development. This is no mushroom growth, or no innovation in our agricultural State. Sugar was being farmed and refined in Louisiana before the Declaration of Independence was signed. For nearly two centuries it has been an integral part of the economic set-up of Louisiana, and today it is not an exaggeration to say that nearly one-third of the population of our State is directly or indirectly dependent upon the farming and the production of sugar for their livelihood.

This departmental report refers to the purchasing power of Cuba and the necessity of maintaining that purchasing power. The figures on that, I believe, will be interesting. In 1937, 160 Cuban mills purchased \$521,000 worth of sugar machinery, and in 1938 \$198,000 worth of sugar machinery in the United States, or a total of \$719,000 in the period referred to. In the same year 74 Louisiana mills purchased in the United States \$4,079,000 worth of sugar machinery, and in the following year, 1938, \$2,981,000. So that over the period examined Cuba purchased \$719,000 worth of machinery as against \$7,060,000 in Louisiana, and Louisiana, I may say, produced only one-seventh as much sugar as Cuba, but the machinery purchases from my State were 8 times as great. This does not include the figures for the beet-sugar industry.

In the same period, 1937-38, the beet-sugar farmers and producers bought in the United States markets \$17,800,000 worth of machinery, or total purchases for the sugar industry in the United States markets of \$24,860,000 as against \$719,000 in Cuba. Cuba purchased only one thirty-fifth as much as the sugar farmers and producers of continental United States.

Mr. Chairman, this report indicates that the Secretary believes the Sugar Act should be amended so as to allow for increased quotas from Cuba. The Secretary, of course, should know, and probably does know, that the Sugar Act of itself cannot be amended to permit increased quotas from Cuba. In the reciprocal trade agreement is a clause, put there for the protection of the producers, the farmers, of the continental United States, which says that any change in the reciprocal trade agreement must be agreed to by the Congress.

If the Congress of the United States amends the sugar act, then the reciprocal trade-agreement change will be approved and the Congress will accept the onus of permitting Cuba to bring sugar into this country in excess of the quotas now allowed and share the blame of giving Cuba a tariff preferential of more than 50 percent, regardless of the elimination of quota restrictions or the rights of the continental sugar growers.

No one is more sympathetic to the extremely delicate international situation that now prevails than I am. I am a whole-hearted supporter of the foreign policy of this country and no one appreciates the intricacies and the complexities of that situation more than I do, and I am willing to go along and I know that my people are willing to go along, on any program that is for the benefit of the United States. And yet, sir, we should bear this in mind in legislating on this momentous question, and legislation on the sugar question will come before this Congress, and that is why I wish to acquaint you with these facts at this time. We should bear in mind that the preservation of the purchasing power of the farmers of continental United States is just as important as the preservation of the purchasing power of the farmers in Cuba or the Philippines. We must remember, no matter what the foreign situation may be, that a collapse of purchasing power on the home front may be, and probably will be, just as disastrous as a military defeat. Every one of us remembers that it was a collapse on the home front that precipitated the disaster to Germany in the last World War.

I yield to no one in desiring to go along with any well-thought-out program, but I insist, and I believe the Congress will take the same view, that the welfare of the farmers of the country must be considered, not only as coequal with but paramount to the interests of the farmers of any other country.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. Yes.

Mr. PACE. There is no sugar in my section but I so thoroughly agree with the principles being enunciated by the gentleman that I want to ask him this general question. Can the gentleman think of any greater potential market in the world today than that of the American farmer if they are given the purchasing power?

Mr. SANDERS. The gentleman is absolutely right.

To go back to your sugar proposition, the American sugar farmer today is only getting 75-percent parity, which is a very slender purchasing power to keep the wheels of commerce and industry grinding, and the currents of trade flowing, and if that is depreciated beyond the present point, a very dangerous situation must be precipitated just along the lines of what the gentleman has in mind, because if the farmer cannot buy, industry cannot sell, and then you have stagnation.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield.

Mr. CLEVENGER. Would the gentleman state how he feels toward this proposed loan to Cuba to buy and store some four or five hundred tons of sugar produced in excess of the normal market outlook for Cuban sugar and a reduction of acreage of some 17 or 18 percent with respect to domestic sugar throughout the beet and cane area of continental United States?

Mr. SANDERS. I would rather not express myself on that very important subject at this time.

Mr. CLEVENGER. As the gentleman can well imagine, in my district, for instance, where beet-sugar production is largely a matter of the individual farms, it is of paramount interest to these men not to lose that 17½ percent of their acreage, especially when last year they were cut with respect to corn, and the year before that with respect to hogs.

Mr. SANDERS. It is absolutely essential that increased quotas be given the farmers of the continental United States.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to my colleague from Louisiana.

Mr. ALLEN of Louisiana. In connection with the gentleman's very timely remarks on the sugar question, it is well to bear in mind that we had to pay Cuba during our great stress in 1917 more than 30 cents a pound for sugar.

Mr. SANDERS. The gentleman is correct.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. The gentleman has been making a very interesting statement in reference to this sugar matter, and I would like to call attention to the fact that on February 7 I introduced a bill that would reduce the Cuban quota of refined sugar 200,000 tons, allocating that to the continental areas; and another section of the bill provides that in the event the Secretary finds that the Philippines will not be able to market their quota of sugar, that that may be allocated to the domestic areas. I may point out that the present law provides that in the event the Philippines are not able to market their quota, that deficit is to be allocated to foreign countries. In view of the present situation in the Orient and the shortage of shipping from the Philippines, it is quite apparent that the Philippines may be unable to market their quota guaranteed to them under the Philippine Independence Act, and as a consequence something of this kind should be done.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. Yes.

Mr. BEITER. Was there not some sort of an agreement entered into that the sugar quotas would not be disturbed for a period of time when the Sugar Act was passed?

Mr. SANDERS. I am not able to answer that. If there was such an agreement I was not a party to it. But in connection with what the gentleman from

Nebraska [Mr. COFFEE] has said, and in answer to the further question propounded a moment ago, I wish to say that it is essential, in view of the economic situation in continental United States, that increased purchasing power be put in the hands of the American farmer, and the recognition of that fact is contained in the democratic platform in the agricultural plank. I was a member of the platform committee in Chicago at the Democratic convention and aided in drawing the agricultural plank. I was not on the subcommittee, but I did participate in the conference in the committee as a whole, when the plank was rephrased, and I call attention to the fact that this plank recognizing the very fact that we have just been speaking of, that of the necessity of keeping the purchasing power in the American farmer, contains these pledges: First, to make parity as well as soil-conservation payments until such time as the goal of parity income for agriculture is realized; second, to continue to provide for adjustment of production through democratic processes to the extent that excess surpluses are capable of control; third, to safeguard the farmer's foreign markets and expand his domestic market for all domestic crops.

Mr. Chairman, that phraseology is explicit. It means what it says, because I was a member of the Democratic platform committee, and it was intended to include the sugar farmers as well as the other farmers of the United States, and in view of world conditions and the slender purchasing power of the farmers of this country, it is imperative that this pledge be made effective in the operation of the Department of Agriculture and in the legislation that is to be enacted by this Congress.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. Yes.

Mr. RICH. I just want to say that most of these planks in the Democratic platform have been forgotten, have been burned up.

Mr. SANDERS. I do not agree with the gentleman.

Mr. RICH. But that is not the question that I had in mind when I asked the gentleman to yield. I want to aid the gentleman. I am in sympathy with the gentleman in the sugar industry in Florida and Louisiana, and the beet-sugar people in Michigan and Colorado. I think the American markets ought to be for the American people who want to farm and raise these commodities. However, the only way you will do that is by putting a tariff on all commodities to protect the American manufacturer, the American farmer, and the American laborer, and when you do that, and put that in the planks of the Democratic platform and carry them out, then we will help the American laborer and the sugar industry, and the manufacturers in this country, and when you do that you will go to town with the American people.

Mr. SANDERS. Mr. Chairman, I do not agree with the gentleman at all. Our people are thoroughly satisfied with the quota system as it applies to the "off-shore" areas.

Mr. RICH. Then what is the gentleman kicking about?

Mr. SANDERS. We are objecting to a statement in which the Department of Agriculture seems to indicate an intention to recommend the enactment of legislation that in our opinion would be harmful to the farmers of the continental United States.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. Yes.

Mr. O'CONNOR. I want to approve what the gentleman has said with reference to the Democratic platform.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. LUDLOW. I yield 1 minute more to the gentleman.

Mr. O'CONNOR. I feel that the allotments for the sugar-beet acreage in my State of Montana that has been made for the year 1941 are absolutely a repudiation and in direct conflict to the Democratic platform adopted at Chicago, and I think the Congress ought to do something about it.

Mr. SANDERS. The pledge of the Democratic platform in Chicago was increased quotas for American farmers for domestic crops.

Mr. O'CONNOR. It has not been done?

Mr. SANDERS. No.

Mr. O'CONNOR. Instead of that the quotas have been decreased more than a year ago.

Mr. SANDERS. That is what I object to.

Mr. COFFEE of Nebraska. In connection with the question asked by the gentleman from Pennsylvania [Mr. RICH] about the tariff, a tariff alone will not prevent sugar coming into the United States in demoralizing quantities, because a tariff is effective only as against foreign countries, and if we lift the quotas sugar will come in from our off-shore territories.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. LUDLOW. Mr. Chairman, I yield now to the gentleman from Montana [Mr. O'CONNOR].

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield for a brief question.

Mr. CASE of South Dakota. I appreciate the effort the gentleman has been making to establish a sound basis for the domestic sugar industry and I trust he will continue his work.

Mr. O'CONNOR. I thank the gentleman.

Mr. RICH. Will the gentleman yield for a question?

Mr. O'CONNOR. For a question only.

Mr. RICH. What is the likelihood of getting the Townsend bill up at this session of the Congress?

Mr. O'CONNOR. I will say to the gentleman that we are going to try to have it brought up for consideration and I am glad the gentleman is interested in the bill and I hope the gentleman from Pennsylvania will vote for it.

Mr. RICH. It depends on what kind of an old-age pension bill the gentleman

presents here. We want a bill that will be for the good of the American people.

Mr. O'CONNOR. I am going to try to present a pension bill that will give the aged people of this country a decent living, so that they can live like human beings and not like rats, and that will be on a pay-as-you-go basis.

Mr. RICH. That is right.

Mr. O'CONNOR. That is not what I rose to speak about, however. [Laughter.]

I am laying the foundation for a question which I will ask of the gentleman from Indiana [Mr. LUDLOW]. I call attention to Public Document No. 177, which contains the numbers of post-office sites that are eligible and for which money has not been appropriated. In my own State, for instance, it is publicized in that public document that there are 16 cities eligible for post offices within my district. The people in those different towns that have been named as eligible for a post-office building are under the impression that the appropriations have heretofore been made, which of course is not the fact. In view of that situation and in view of the unemployment that is prevailing throughout the country, notwithstanding our defense program, it seems to me we ought to do something to provide the necessary Federal buildings in places where they are qualified, eligible, and in need of such buildings. For instance, in my own district, we do not have a single defense industry, and this is what is happening: Our unemployment has not decreased at all. We still have just as many unemployed people as we had before, but our district is being drained of skilled labor. We have very few, if any, skilled laborers left, and yet unemployment prevails.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. COFFEE of Nebraska. Does not that situation prevail throughout the Mid-West?

Mr. O'CONNOR. Exactly; throughout the gentleman's State, Nebraska, Wyoming, Montana, and all those Central Western States. In the East and the South and on the west coast they are getting all the industries. I want to call the attention of the Members to the fact that at Fort Peck, where the United States Government expended hundreds of thousands of dollars in the construction of barracks for men to build what is known as the Fort Peck Dam, the largest dirt dam in the world, built at a cost of \$100,000,000, now the dam has been completed and the barracks today are empty and going to rack and ruin. The place has hospitals, city waterworks, and all other necessary buildings. That would furnish an ideal place for the training of our draftees, but we cannot get any training to take place there. They say, "If you had that building down in Louisiana or Alabama or Texas or some other place it would be all right, but we do not want to send these boys up into that cold climate to train them."

As a matter of fact, the people who are raised in that northwest section and the western section would much prefer train-

ing in that climate than they would to be sent down where it is as hot, as I understand it is, in southern Alabama, Louisiana, Texas, and elsewhere in the South. Again, we do not know where the boys are going to be sent when this thing is over.

Mr. RICH. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. RICH. It seems funny, after 8 years of the New Deal and spending \$28,000,000,000 more than the receipts, and we have had the greatest receipts in many years, that they have not taken care of you out there. It seems to me they have neglected you.

Mr. O'CONNOR. Well, we have been neglected, of course, but we are going to try to make the best of it.

Mr. BEITER. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BEITER. The gentleman from Pennsylvania has been criticizing this administration about not placing men to work. I noticed in driving through his home town of Williamsport, Pa., the other day, they are faring pretty well in Williamsport in the construction of airplanes at the Lycoming plant.

Mr. RICH. This New Deal did not take care of that district, though.

Mr. O'CONNOR. I do not yield any further, Mr. Chairman.

Now I want to ask a question of the gentleman from Indiana [Mr. LUDLOW]. On January 17, 1940, the gentleman from Virginia [Mr. WOODRUM] having charge of a similar bill, made this statement:

Mr. Chairman, in the Federal Buildings Act of 1938 we increased the building program for buildings outside of the District of Columbia, and these are post-office buildings in the various districts. We increased the authorization from \$70,000,000 to \$130,000,000, providing for a 3-year program.

The question which I wish to address to the distinguished gentleman from Indiana [Mr. LUDLOW] is this: Is there any of that money that has been authorized that may now be appropriated by the House?

Mr. LUDLOW. I will say to the gentleman that that money has all been disposed of. It has been allocated, and contracts have been entered into. So there is no residue left at all.

Mr. O'CONNOR. And that brings up this question: In the absence of any authorization on the part of Congress for the construction of additional post-office buildings, an amendment to this bill would not be in order, as I understand it?

Mr. LUDLOW. I regret to say to the gentleman that that is true. I am afraid I cannot offer him much consolation. It would not be in order, and it would not be carried in this bill in any event.

Mr. O'CONNOR. What will be necessary for the Congress to do in order to inaugurate a campaign whereby we may get some of the post-office buildings in our districts where they are needed?

Mr. LUDLOW. I will say to the gentleman from Montana that it will be necessary for the Congress to initiate a new building program and to make an authorization program to effectuate the work the gentleman has in mind.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. HOOK. It strikes me that an authorization act does not seem to do much good. I have an illustration in my own district where not only was the money authorized, but it was actually appropriated, but the entire thing has been canceled, and the administration has said there would be no further post offices built because of the defense program.

Mr. MAHON and Mr. MICHENER rose.

Mr. O'CONNOR. I must yield first to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. If the gentleman will permit me to say so, I have 10 towns in my own congressional district that are eligible for new post-office buildings, but I doubt the desirability at this time of beginning a post-office construction program when materials and costs are so high and many times not available even at the high costs. I am strong for a building program, but I believe the gentleman perhaps would agree that the President was wise in canceling the program where no contracts had been let. I believe we should defer beginning this program again until the defense program is accomplished and the prices of materials have lowered and labor conditions been straightened out.

Mr. O'CONNOR. Mr. Chairman, I now yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. The gentleman from Texas has said about what I intended to say. There are also some post-office projects authorized in my district, but President Roosevelt has said that we should not proceed with these buildings during this emergency. He is the Commander in Chief. We are asked to go along with him. It seems to me it is just idle for the Congress to talk about building post offices when they are not necessary to the national defense and the President says they cannot be built.

Mr. O'CONNOR. I agreed with the gentleman, I do not want to quarrel with the President, but I would like to have the people understand what the facts are, that there is a considerable difference between an authorization and an appropriation, that an authorization does not mean the appropriation has been made.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I have already taken up too much of the time of the House, but if I have any time remaining I yield.

Mr. RICH. I may say to the gentleman from Montana that post-office projects were allocated for towns in my district, but we do not want them up there in Pennsylvania because the upkeep cost will be so great. The gentleman himself knows, I am sure, that the cost of upkeep of one of these new buildings will be four or five times that of the present post-office building in most instances. When you spend \$100,000 on a new building you have got to have the right kind of employees to take care of it. The gentleman's administration is going in the red at the rate of \$50,000,000 or \$60,000,000 a day. How is it going to be paid off? Where are you going to get the money?

Mr. O'CONNOR. Of course the gentleman knows this debt will never be paid. I shall ask the gentleman himself to answer his question.

Mr. HOOK. Mr. Chairman, will the gentleman yield further?

Mr. O'CONNOR. Yes; if I have the time.

Mr. HOOK. I wanted to point out that there is a difference between authorization and appropriation. Money was appropriated for many of these post offices, sites were picked, and specifications were drawn, and they had reached the stage of calling for bids, and yet they are not to be built.

Mr. O'CONNOR. Mr. Chairman, I yield back the balance of my time.

Mr. KEEFE. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I wish to take a few moments today to endeavor to provoke some discussion between now and Monday on what is considered a very important piece of legislation. As I understand it, on next Monday we are to have placed before us for consideration a bill which will reapportion the House of Representatives, under the fourteenth amendment to the Constitution, which provides that the Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed.

For 30 years or more we have apportioned under the method known as major fractions. This has been done by two previous Congresses, in spite of the recommendations of the National Academy of Science, which the committee apparently relied upon to justify a change in method. The National Academy of Science recommended the method known as equal proportions, and made their recommendation as far back as March 2, 1929. Notwithstanding that recommendation, Congress passed an act, which was approved on June 18, 1929, adopting the major-fraction method of apportionment.

On April 25, 1940, Congress reiterated its judgment that the major-fraction method was the most practicable and equitable. It seems to me we should meet facts with facts and admit that the only justification for the report accompanying the bill which we shall have to consider next Monday, H. R. 2665, introduced by the gentleman from Arkansas [Mr. GATHINGS], is an attempt on somebody's part to deny to the great sovereign State of Michigan equal representation under the fourteenth amendment to the Constitution.

As I understand it, the only States involved, the only seats involved, are one from Arkansas and one from Michigan. It just so happens that, regardless of the method used, whether equal proportions or major fractions, all of the other States will either lose or gain the same number of seats in accordance with the distribution made as a consequence of this last decennial census. The only States involved, therefore, are Michigan and Arkansas.

Under the equal-proportions method Arkansas will not lose a seat, neither will the people of Michigan pick up a seat which is rightfully theirs. Under the major-fraction method which has been in practice for over 30 years the State of

Arkansas will lose a seat and the State of Michigan will pick up the seat to which she is entitled.

This seems to be an endeavor on the part of somebody to retain this seat in Arkansas to the prejudice of the people of the State of Michigan. I do not think the Members of this House want to be a party to this particular brand of political chicanery, if I may call it that, especially in view of the fact this bill is to be brought in under a closed rule, which will deny the Members of this House, if they vote the rule up, the opportunity to offer any amendments whatsoever. Fortunately, we used some discretion last year to safeguard the country against such things by providing that if this legislation is not passed within 60 days after the President sends his message down, as in this case, reapportionment will be made under the major-fraction method, and I think it would be a service to the Nation to reiterate that we stand just where we did last April, and just where we have for 30 years in this reapportionment fight. On next Monday we should vote down the previous question on the rule. An effort will be made to that end, in order that some of us who think that our States are being discriminated against in this, may I reiterate, political chicanery may at least have an opportunity to be heard.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, already tribute has been paid in the House to Judge R. Walton Moore, Counselor of the State Department, confidential adviser to many of the leading figures in our Government today, and Virginia gentleman in the finest sense of that term. Judge Moore's passing on last Friday was, to state the matter simply, a great loss to our Nation, for his place was the sort of place that no one else, however capable and wise, can ever completely fill. And may I add, Mr. Speaker, that his passing is a distinct loss to me, for it has been one of the high privileges of my life to have known him personally. The advice and counsel which he gave to me I shall always remember and I hope to be a better man because of the sturdiness of his spirit as I came in contact with it. I take this occasion to pay to him and to his memory my most sincere homage and to add that it will always mean a very great deal to me to cherish the hope that I may have held a modest place in the affections of so truly great a man.

Mr. Chairman, no tribute to Judge Moore that I have yet read has struck me as quite so appropriate as that contained in the editorial of the Washington Star for Sunday last, as follows:

R. WALTON MOORE

Some individuals are born to power, some to fame, some to be dearly loved by their friends. Not many persons, however, are privileged to enjoy an endowment so comprehensive as to include all three of these precious gifts. It was, then, a rare destiny which R. Walton Moore fulfilled. By inheritance he received noteworthy talents; by tradition he was provided with an example for the employment of his faculties in public service. His time was turbulent yet it did not prevent appreciation of his labors.

From the beginning of his career until its end, he earned success. His achievement predominantly was institutional, but it was not the less useful or the less gratifying on that account.

Mr. Moore died, as he had lived, a Virginia gentleman in the best meaning of the phrase. He was devoted to his native State beyond the capacity of ordinary language to report. Its history he mastered in meticulous detail. The Old Dominion never had a son more profoundly concerned to preserve the chivalrous spirit of the past. A similar observation might be made with regard to his reverence for the national community in which he found his greater opportunities. In the House of Representatives from 1919 to 1931 he was universally admired for his skill as a debater. He possessed a magic for the exposition of the strength or, perhaps, the weakness of pending legislation. A logician, a philosopher, impersonal but not selfishly detached, reserved but not stoically unconcerned, he was sought after by the wisest of his contemporaries. His colleagues esteemed him, but their attitude was characterized by a warmth unusual in Congress even among men closely allied in party circles.

He was 74 when he entered the State Department, yet no one thought of Mr. Moore as being advanced in years. His resilience was demonstrated by the zeal with which he approached a task. In the spring of 1939 he was "young enough" to be a passenger in the first round-trip flight of a clipper plane to Europe and back. When he was persuaded to celebrate his eightieth birthday anniversary, he insisted that "you might call it a biological accident when a man reaches my age and still holds his mental and physical strength and youthful outlook." The theory so expressed was rejected by those who were familiar with the essential gallantry of his undiscouraged soul. A scholar, an accomplished lawyer, an ardent patriot, a keen student of the theory of government and social progress, he was an ideal counselor on foreign affairs "in the stress of a period of gravest concern" to American civilization.

Washington always will be grateful to Mr. Moore for his interest in local problems. He was a neighbor who might have been a native, so helpful was his concern for the development of the District of Columbia as a residential area as well as in its role as Capital of the Republic. The bridges across the Potomac will be, in a certain sense, his monuments. It is not too much to suggest that they symbolize the value of his life.

Mr. LUDLOW. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Salaries and expenses, foreign-owned property control: For expenditure under the direction of the Secretary of the Treasury for any purpose in connection with the carrying out of the provisions of section 5 (b) of the act of October 6, 1917 (40 Stat. 411, 415), as amended, and any proclamations, orders, or regulations that have been or may be issued thereunder, including personal services (without regard to classification and civil-service laws), printing, and all other necessary expenses incurred in carrying out instructions issued by the Secretary of the Treasury pursuant to section 5 (b) of the act of October 6, 1917, as amended, or proclamations, orders, or regulations issued thereunder, including reimbursement of any other appropriation or other funds of the United States or any agency, instrumentality, Territory, or possession thereof, including the Philippine Islands, and reimbursement of any Federal Reserve bank for printing and other expenditures, \$1,250,000.

Mr. RAMSPECK. Mr. Chairman, I make the point of order against the words

"and civil service," line 19, page 3, that it is legislation on an appropriation bill. It changes existing law.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard?

Mr. LUDLOW. Mr. Chairman, I concede the point of order, but I was hoping that the gentleman would not make it or would not press it. This is an emergency activity of the very greatest importance. I do not know, and I do not think anyone knows, how much it may handicap this activity if the language referred to is taken out of the bill. This activity may have to be expanded at any time and we do not know how the deletion of the language referred to may affect its future operations. But, as I stated, it is clearly subject to a point of order.

Mr. RAMSPECK. Mr. Chairman, the general civil-service law gives the President authority to make such exemptions as he finds necessary. If these positions need to be exempted, I am quite sure they will have no difficulty in getting an order from the President.

Mr. LUDLOW. Does the gentleman insist on the point of order?

Mr. RAMSPECK. Mr. Chairman, I insist on the point of order.

Mr. LUDLOW. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary-press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; for engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; equipment of, repairs to, and maintenance of buildings and grounds and for minor alterations to buildings; directories, technical books and periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference; not exceeding \$500; traveling expenses not to exceed \$2,000; miscellaneous expenses, including not to exceed \$1,500 for articles approved by the Secretary of the Treasury as being necessary for the protection of the person of employees; for transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed \$15,000; and for the maintenance and driving of two motor-propelled passenger-carrying vehicles; \$10,000,000, to be expended under the direction of the Secretary of the Treasury, of which not to exceed \$150,000 shall be available only for the purchase of equipment.

Mr. LUDLOW. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUDLOW: On page 32, line 25, strike out the remainder of the line, commencing with the comma, after the word "Treasury", and strike out on page 33, lines 1 and 2, down to the period at the end of line 2.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 301. Appropriations for the fiscal year 1942 available for expenses of travel of civilian officers and employees of the executive departments and establishments shall be avail-

able also for expenses of travel performed by them on transfer from one official station to another when authorized by the head of the department or establishment concerned in the order directing such transfer: *Provided*, That such expenses shall not be allowed for any transfer effected for the convenience of any officer or employee.

Mr. VORYS of Ohio. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent, Mr. Chairman, to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Chairman, I want to make it clear at the outset that I am not going to talk about this pending bill. I have obtained unanimous consent to discuss another matter—the position of the Republican minority. I do not believe in discussing partisan politics in considering legislation. Mr. Chairman, this is the first time I have ever referred to my party on the floor of this House, but a piece by Walter Lippmann in the Washington Post today prompts me to do so. He refers to the Vorys modified arms embargo amendment, which was adopted by a majority, consisting of Republicans and Democrats in 1939, refers to our willingness to aid Britain now, and then says of the Republican minority in Congress:

As a matter of fact, it has steadily backed away from its own first commitments. To have taken the pacifist and isolationist position and stood by it would have been one thing. To take it and then back away from it, as the somber history of our times has unfolded, is a confession, it seems to me, that the Republican leaders of Congress have not believed in their principles or foreseen or judged truly the real course of events.

The Republican minority since 1939 has clearly foreseen and prophesied and foretold what was going to happen. In our minority report on the changes to the Neutrality Act in June 1939, we said:

We are opposed to the President's policy of using the threat of our power to preserve a balance of power in Europe. We do not believe that the President is deliberately provoking war, but we believe that the way to peace is for us to be neutral, not biased; friendly, not threatening. We feel that this Nation is determined to stay out of the next war. We cannot dictate what other nations shall do. We should not attempt to influence their decisions by attempting to conceal our firm purpose as a Nation, to stay neutral.

The administration has either not seen what would happen, or has been unwilling to say what would happen. The changes that were made in our neutrality laws in 1939, were made on the pretext by the administration that we were to be more neutral, not less neutral. In his message to Congress September 21, 1939, at the opening of the special session for repealing the arms embargo, the President said:

The step I recommend is to put this country back on the solid footing of real and traditional neutrality.

Not a word then about aid to Britain short of war. We have had the Republican minority telling what was going to happen and the administration concealing what was going to happen as we went down the path toward war.

The Republican minority now finds itself in the position of Abraham Lincoln when he was in Congress in 1848. He opposed the Mexican War. He helped to put through a resolution by which Congress declared that that war was "unnecessarily and unconstitutionally commenced by the President of the United States." Here is what Lincoln said about the then President, and it fits well now. In connection with his famous "spot resolutions" and discussing President Polk's flexible foreign policy, Congressman Lincoln said:

In all this the President showed himself dissatisfied with the conclusions he had assumed. He took up one suggestion and tried to argue us into it, but argued himself out of it; he then took up another, and went through the same process, and returned to the first; showing himself dissatisfied with all, and appearing like a man on a hot shovel, finding no place on which he could settle down.

We find ourselves today in Lincoln's position when he was in Congress. His country had, despite his opposition, gotten into a difficult situation. He could say, and we can say, "I told you so," and refuse to cooperate. Instead, Lincoln voted supplies for a war which he had opposed, and Republicans now are voting appropriations to carry out policies which were approved in Congress over their opposition. To face the situation of your country as you find it, no matter how it got there, and then do the wisest thing in that situation, shows neither miscalculation nor bad judgment. If a member of your family, against your advice, does something that gets him into trouble, and you help him in his trouble, you are not thereby going back on your advice.

Stephen Decatur said:

Our country! In her intercourse with foreign nations, may she always be in the right; but our country, right or wrong.

The position of the Republican minority is not that they back away from any position they have taken, but that once our country, through the processes of representative government, has taken a certain position, whether it is with our opposition or not, we then say, "My country, right or wrong—my country." This is not inconsistent or insincere. It is merely the way a patriotic opposition functions in a republic. [Applause.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment. In view of the fact that the gentleman who has just spoken is one of the two recognized leaders of the Republican Party in the House of Representatives in determining the policy of the Republican Party on foreign affairs, of course, I cannot let his remarks go by unanswered. I listened to his remarks with a great deal of interest. He talked about the position of the Republican Party. I hope some time that he or his colleague from New York [Mr. FISH] who are determining the foreign policy of the Republican Party in the House, will some day state to the House what that position is. Nobody knows what their position is today, and nobody knows what their position has been. Certainly if there ever was inconsistency on the part of a po-

litical party in the history of our country, it has been the inconsistency of the Republican Party in Congress during the present crisis.

The gentleman talks about President Lincoln and what he said when he was a Member of Congress. I wonder if the gentleman in quoting Lincoln when a Congressman at the time of the Mexican War, is himself now taking the position that the Mexican War was not fought for the best interests of our country. I wonder if the gentleman wants to take the position by implication in 1941 of repudiating the action of the then President of the United States in doing what he did do. We all know that the United States has engaged in two battles in Mexico and that there was justification for it, if we study the history of that time, before the Congress officially declared a state of war existed between the United States and Mexico. Furthermore, the gentleman overlooks the fact that when Mr. Lincoln was President, he had the courage to take the action that was necessary as Commander in Chief of the Army and Navy and as President of the United States, for the best interests of our country, and that without an act of Congress he ordered a partial conscription of 75,000 men, ordered Fort Sumter blockaded with no act taken by Congress, and that he also ordered expenditures of money appropriated by Congress for purposes other than those for which the money had been appropriated, and that he did all of those and other acts in connection with the preservation of the Union. In other words, President Lincoln, as Commander in Chief, recognizing the danger that confronted our country, acted. Lincoln's place in history is well known.

The Republican leadership certainly is floating around here, there, and everywhere. We pick up the paper this morning and see that District Attorney Dewey retreats from his opposition to the bill, and is now for the bill, with reservations. Former President Hoover was first against it, and then, after about 24 hours, attempted to get back on the right track. As a matter of fact, the one man in the Republican Party who has had vision, vision as an American citizen in this crisis, is the man that the Republican Party is condemning and trying to repudiate, the man who ran for President last fall on the Republican ticket, Mr. Wendell Willkie, and what he is doing is in response to his conscience as an American citizen, which transcends party politics. [Applause.] We do not hear of any Republicans defending him. I am not defending him as a Republican. I am complimenting him as an American citizen. I was amazed this morning to hear my good friend the gentleman from New York [Mr. TABER] trying to cling to something affirmative, but I respect him, because he is the only Republican Member of Congress who has taken an affirmative position, and he did so when he said that he respected Mr. Willkie, who made some specific recommendations, and he had in mind the transfer of from 5 to 10 destroyers a month. He recognized that the conduct of these men, in criticising Mr. Willkie, is not going to be the answer, and that shows that

the gentleman from New York recognizes that the Republicans in the homes are with Mr. Willkie and the Republicans in the homes are with the President. Not as Republicans, but as Americans, I might say that so far as New England is concerned, and which I am aware of, because I am acquainted with political conditions there, that that is their state of mind. I can say that we carried some New England States last fall because of the misguided leadership of the Republican Party in Congress on foreign affairs. I can also say that there are tens of thousands of Republicans in New England who are disgusted with the leadership of this party in this Chamber and in the other Chamber, and who are changing their party designation and becoming Democrats.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. VORYS of Ohio. What I tried to say, but apparently without success, was that the Republican Party today are going along with what this country decided to do, even though they had opposed that position. The gentleman does not think that is a partisan position.

Mr. McCORMACK. I cannot agree with the gentleman's statement.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GORE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise to read in my time two paragraphs from the Baltimore Sun of today's issue:

Speaking in a banquet hall sprinkled liberally with empty tables, Representative HAMILTON FISH last night attacked Wendell L. Willkie in a Lincoln Day dinner speech to the Alexander Hamilton Club.

As soon as the words were out of his mouth, J. Purdon Wright, Baltimore attorney and one of the leading Republicans present, who was sitting only a few feet away, got up and stalked from the room, making strong gestures of disgust and disapproval.

In the lobby he asserted he "couldn't sit there and listen to that kind of stuff." Before the address ended a number of other banqueters also walked out.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Sec. 303. No part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as we complete the action of the House upon this bill this Congress will have acted upon five bills designed to appropriate money; and the total carried in these bills and by permanent appropriations that are administered by these departments runs to \$8,299,414,780. The items involved are as follows:

Independent offices:	
Direct appropriations....	\$1,404,576,838
Permanent appropriations.....	356,276,039
Total.....	1,760,852,877

Treasury-Post Office:

Direct appropriations	\$1,146,394,496
Permanent appropriations	4,516,027,407
Total	5,662,421,903
Urgent deficiency, including	
WPA deficiency	388,140,000
Army clothing	175,000,000
Ship construction	313,500,000

This makes a total of \$8,299,914,780.

This means for 6 weeks since Congress convened on January 3, 1941, a weekly average of \$1,383,319,130.

I feel this Congress should come to realize, as the members of the Appropriations subcommittees I am sure are realizing, the seriousness of the situation that confronts this country. I feel we must make every possible effort, as the committee has tried on this bill, to cut out every dollar that can be eliminated that we may meet the demands that are going to be made upon us for national defense. This bill contains a lot of items that cannot be cut. We must realize also that without anybody being subject to specific criticism, there will be a lot of waste because in the haste of preparing for war waste necessarily occurs; but we have got to do away with every cent that can possibly be cut out of the civil activities, and things that do not contribute directly to national defense should be postponed.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BENNETT. Did I understand the gentleman correctly to say that with the passage of this bill this present session of Congress will have appropriated a total of \$8,299,714,780?

Mr. TABER. Yes.

Mr. BENNETT. Does the gentleman know that in the first 100 years of this country which included the second war with Great Britain, the Mexican War, the 4 years' Civil War, and the various Indian wars, that the Congress appropriated only \$9,000,000,000?

May I inquire further? I should like to know whether the gentleman from New York agrees with me in the conclusion that the majority party, which like hungry robins swallows everything sent to the House by the executive departments, should think of the future and refuse to longer serve as a rubber stamp?

Mr. TABER. I certainly do.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise at this time to tell the House briefly something of the services rendered by members of the Committee on Appropriations and on this subcommittee. The total carried by this bill is a tremendous sum of money. A great deal of responsibility is placed not only on the committee as a whole but especially on the chairman of the committee individually in trying to bring about economy and the best possible service in these two departments of the Government.

In my entire life's experience I know of no one who has accepted a job and worked at it with a spirit of greater devotion to that job than the chair-

man of this subcommittee, Mr. LUDLOW, of Indiana. The same is true of the ranking Republican member of the subcommittee, Mr. TABER, of New York.

It was not my privilege to attend all of the sessions of the subcommittee this year, but the members began to meet in December of 1940 at a time when every member would have liked to be home, when they were very tired from the exertions of the Seventy-sixth Congress. They met daily during December, during January, and on into February. We have heard a few clashes here on the floor over politics, but that has had no part in the consideration of this bill. I think there are no finer Members on the Republican side of the House than the Members on our subcommittee, the gentleman from New York [Mr. TABER], the gentleman from Wisconsin [Mr. KEEFE], and the gentleman from Pennsylvania [Mr. RICH]. The names of the Democratic members of this committee are known to everyone here. Partisanship did not enter into the consideration of this bill in any way.

I feel this Congress should be deeply grateful to the chairman and ranking minority member of this subcommittee and to other members as well.

Let me say also that for devotion to duty and for a high order of intelligence the clerk of the Appropriations Committee, Mr. Sheild, is unsurpassed by any clerk of any committee in this House or by anyone of whom I have any knowledge.

This subcommittee has worked together very happily. In my opinion it is a model for other committees to go by, and I want to rise as a member of this committee who has not been able to do his fully duty at this time to state that the chairman of this subcommittee and the members of the subcommittee deserve a great vote of thanks for the zealously with which they have labored and for the bill they have presented to you for action. [Applause.]

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just a few moments ago the gentleman from Michigan, Mr. Wolcott—I hope he is present at this time—made the statement on the floor that the introduction of the bill H. R. 2665, of which I am the author, was an act of chicanery. I do not believe the gentleman from Michigan really meant that. I believe in the zealously with which he went about the proposition of discussing the matter he must have spoken a little hurriedly.

I want the membership to get the full facts with regard to this matter. In the year 1929 the general census bill was passed, and several times before that this matter was before this body, but in 1929 the act was finally passed. Section 22 of that act deals with the matter of the reapportionment of Representatives in accordance with the constitutional provisions. At that time the Congress wrote into the law two different methods to be used in presenting the statement on reapportionment to Congress: First, the method of major fractions, and, second, the method of equal proportions. The President complied with these requirements and filed his statement on January

8, 1941. It sets out what each State shall gain and what each State shall lose, or each State will hold the same seats as they have, and it is brought in here with equal proportions and with major fractions both. Within 60 days, under the bill we passed in 1940, the Congress must act. Congress must apportion its membership or else the method used in the preceding apportionment shall be used, which is major fractions.

In 1910, when the Congress reapportioned, there was no difference between these two methods as applied to any two States. In 1930 there was no difference between these two methods in any State. We took the matter up in the hearings before the Census Committee last year and decided then what we wanted to do was to preserve the automatic apportionment feature of the 1929 act, since there was no difference whatever between 1910 and 1930. So we went ahead and passed the bill in 1940.

We did not at that time attempt to go into these methods thoroughly, while we did have these professors before us—one from Harvard and one from Cornell—discussing these two proposals. The main thing we wanted to do was to get around the lame-duck amendment. Before the lame-duck amendment intervened, here is what happened under the 1929 act: "Within 1 week" after the convening of the second session of the Seventy-first Congress, and each fifth successive Congress thereafter, the President shall file his statement. Since the passage of the lame-duck amendment, "within 1 week" after the Seventy-sixth Congress would have thrown us into January, and the census had not been taken at that time. We had to amend that law, therefore, and make it apply after the census figures were published in 1940. That is what we did last year.

In 1929 they said the President shall file these figures in accordance with the two methods. I call the attention of the Members of the House to the fact that in 1927, when this matter was discussed on the floor of the House on March 2, 1927, Mr. McLeod, of Michigan, made a statement. It seems Michigan had a little different attitude at that time. Mr. McLeod was then a member of the Census Committee, and the House was considering a bill which would apportion Representatives by the equal-proportions method, and he stated:

The method proposed in this bill is known as equal proportions. Equal proportions is considered by outstanding statisticians as the most equitable method to be used in apportioning Congress.

I contend, as did the gentleman from Michigan in 1927, that the method of equal proportions is the most equitable method, and Arkansas is entitled to hold the seat which she would do under this method.

[Here the gavel fell.]

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

Mr. Chairman, I had not intended to take any part in this discussion and I am therefore taken rather off guard at this time. I have heard much said about

the question of equal proportions or major fractions as being the basis for determining the new apportionment of Congress. For the benefit of the Members of the House, it might be well to state that Michigan as a State had nothing whatsoever to do with the determination of the question by which it is to gain one Member, while at the same time the State of Arkansas is to lose one Member. There was no disposition on the part of anybody from Michigan to take anything away from anyone else, but it just so happened that by the method of calculation Michigan is the more fortunate. I am sorry to hear that by the method chosen the State of Arkansas is to be deprived of one Member. It is undoubtedly going to cause a great inconvenience to some of the Members from that State who are my very dear friends, but I do not want anyone in this House, under a misapprehension, to undertake to correct a great wrong to the State of Arkansas because of anything that Michigan or anyone from the State has done to bring about the injury. As I said, we had nothing to do with the method of calculation. I think, though, that it is honest, it is fair, and it so happens that Michigan gains while Arkansas loses, but when somebody gains, somebody has to lose. We ourselves find the question of reapportionment very difficult, and unwelcome each 10 years; we find too a similar problem within our own State. At the present time it is a fight of the rural up-State against the metropolitan areas. So it is nothing to wonder at, if we argue about the problem here.

I hope that the House when the question is finally considered will take into account the fairness of the issue and will determine it on that basis.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended be passed.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'CONNOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended be passed.

Mr. LUDLOW. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of legislative matters and any previous special orders, the gentleman from Montana [Mr. O'CONNOR] may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article that appeared in yesterday's Evening Star by W. L. White regarding the glider training program of Germany.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a chapter on the sugar program from the Department of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain excerpts from the report of the Attorney General and the book entitled "The Odyssey of a Fellow Traveler."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. NORRELL asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today on the question of the privileges of the House and the question of personal privilege, and to include therein the matter I handed up to the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRODUCTION NEEDS OF NATIONAL DEFENSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am introducing today a resolution that provides that the President is

authorized and directed to transmit to the House information so fully as possible from the Office of Production Management and other Government agencies, showing the actual status of the production and acquisition of machine tools, and what steps are being taken to take care of this vitally important problem so that national defense may proceed.

I am told by people who have to do with the production end of national defense and the acquisition of materials for manufacturers, as well as having heard publicly from Mr. Knudsen, that the bottle neck in the production today of our national-defense program is machine tools, that machine tools are not being made or are not available as they should be in order that production may continue. I cannot find that anything effective is being done along this line, and this resolution is introduced for the purpose of receiving information as to why there seems to be a perfectly inexcusable delay in machine-tool manufacture. If we are not satisfied with that information, the House should immediately take action. Manufacturers and labor tell me they have order upon order to manufacture, but they cannot manufacture because they do not have machine tools. This situation must be remedied, and at once.

Mr. Speaker, more than anything else today we need the materials for national defense, in order that we may be able to protect ourselves at least. Without adequate national defense in this respect everything else seems to be purposeless. How can we possibly give any to any other country as provided in H. R. 1776 when there is a great lag in production for the defense of the United States? The Congress has voted for huge sums—seemingly for national defense. In fact, the Congress voted a blank check. The country wants to know why it is not receiving value for what it paid. The country will neither forgive nor forget inaction. I earnestly hope that this resolution will be favorably acted upon and that national defense may progress speedily. [Applause.]

[Here the gavel fell.]

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 89. Joint resolution making an additional appropriation for the Military Establishment for the fiscal year ending June 30, 1941.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 14 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, February 17, 1941, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold public hear-

77TH CONGRESS
1ST SESSION

H. R. 3205

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14 (legislative day, FEBRUARY 13), 1941

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1942,
7 namely:

OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, Under Secretary of the Treasury, Fiscal Assistant Secretary of the Treasury two Assistant Secretaries of the Treasury, and other personal services in the District of Columbia, including the temporary employment of experts, \$290,000: *Provided*, That in expending appropriations or portions of appropriations contained in this Act for the payment of personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretaries of the Treasury and the Assistant Postmasters General, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such Act, as amended, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year, and then only to the next higher rate: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, (2) to require the reduction in salary of any person whose

1 compensation was fixed, as of July 1, 1924, in accordance
2 with the rules of section 6 of such Act, (3) to require the
3 reduction in salary of any person who is transferred from one
4 position to another position in the same or different grade in
5 the same or a different bureau, office, or other appropriation
6 unit, (4) to prevent the payment of a salary under any grade
7 at a rate higher than the maximum rate of the grade when
8 such higher rate is permitted by the Classification Act of
9 1923 as amended, and is specifically authorized by other law,
10 or (5) to reduce the compensation of any person in a grade
11 in which only one position is allocated.

12 Salaries and Expenses, Foreign Owned Property Control:
13 For expenditure under the direction of the Secretary of the
14 Treasury for any purpose in connection with the carrying out
15 of the provisions of section 5 (b) of the Act of October 6,
16 1917 (40 Stat. 411, 415), as amended, and any proclama-
17 tions, orders, or regulations that have been or may be issued
18 thereunder, including personal services (without regard to
19 classification laws), printing, and all other necessary
20 expenses incurred in carrying out instructions issued by
21 the Secretary of the Treasury pursuant to section 5 (b)
22 of the Act of October 6, 1917, as amended, or procla-
23 mations, orders, or regulations issued thereunder, including
24 reimbursement of any other appropriation or other funds of
25 the United States or any agency, instrumentality, territory,

1 or possession thereof, including the Philippine Islands, and
2 reimbursement of any Federal Reserve bank for printing and
3 other expenditures, \$1,250,000.

4 Payments to Federal land banks on account of reductions
5 in interest rate on mortgages: To enable the Secretary of
6 the Treasury to pay each Federal land bank such amount as
7 the Land Bank Commissioner certifies to the Secretary of
8 the Treasury is equal to the amount by which interest pay-
9 ments on mortgages held by such land bank have been re-
10 duced during the fiscal year 1942, and prior thereto, in
11 accordance with the provisions of paragraph "Twelfth" of
12 section 12 of the Federal Farm Loan Act (12 U. S. C.
13 771), as amended, \$26,800,000.

14 Payments to the Federal Farm Mortgage Corporation on
15 account of reductions in interest rate on mortgages: To enable
16 the Secretary of the Treasury to pay to the Federal Farm
17 Mortgage Corporation such amount as the Governor of the
18 Farm Credit Administration certifies to the Secretary of the
19 Treasury is equal to the amount by which interest payments
20 on mortgages held by such Corporation have been reduced
21 during the fiscal year 1942, and prior thereto, in accordance
22 with the provisions of section 32 of the Emergency Farm
23 Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C.
24 1016), as amended, such payments to be made quarterly,
25 beginning as soon as practicable after October 1, 1941,
26 \$9,600,000.

1 DIVISION OF RESEARCH AND STATISTICS

2 Salaries: For personal services in the District of
3 Columbia, \$218,000.

4 OFFICE OF GENERAL COUNSEL

5 Salaries: For the General Counsel and other personal
6 services in the District of Columbia, \$145,000.

7 DIVISION OF PERSONNEL

8 Salaries: For the Chief of the Division, and other per-
9 sonal services in the District of Columbia, \$125,000.

10 OFFICE OF CHIEF CLERK

11 Salaries: For the Chief Clerk and other personal services
12 in the District of Columbia, \$211,500.

13 MISCELLANEOUS AND CONTINGENT EXPENSES, TREASURY

14 DEPARTMENT

15 For miscellaneous and contingent expenses of the Office
16 of the Secretary and the bureaus and offices of the Depart-
17 ment, including operating expenses of the Treasury, Treasury
18 Annex, Auditors', and Liberty Loan Buildings; newspaper
19 clippings, financial journals, purchase (including exchange)
20 of books of reference and lawbooks, technical and scientific
21 books, newspapers, and periodicals, expenses incurred in
22 completing imperfect series, library cards, supplies, and all
23 other necessary expenses connected with the library; not
24 exceeding \$8,000 for traveling expenses, including the pay-
25 ment of actual transportation and subsistence expenses to

1 any person whom the Secretary of the Treasury may from
2 time to time invite to the city of Washington or elsewhere
3 for conference and advisory purposes in furthering the work
4 of the Department; freight, expressage, telegraph and tele-
5 phone service; purchase and exchange of motortrucks, and
6 maintenance and repair of motortrucks and three passenger
7 automobiles (one for the Secretary of the Treasury and two
8 for general use of the Department), all to be used for official
9 purposes only; file holders and cases; fuel, oils, grease, and
10 heating supplies and equipment; gas and electricity for
11 lighting, heating, and power purposes, including material,
12 fixtures, and equipment therefor; purchase, exchange, and
13 repair of typewriters and labor-saving machines and equip-
14 ment and supplies for same; floor covering and repairs
15 thereto, furniture and office equipment, including supplies
16 therefor and repairs thereto; awnings, window shades, and
17 fixtures; cleaning supplies and equipment; drafting equip-
18 ment; flags; hand trucks, ladders; miscellaneous hardware;
19 streetcar fares not exceeding \$750; thermometers; lavatory
20 equipment and supplies; tools and sharpening same; laundry
21 service; laboratory supplies and equipment, removal of rub-
22 bish; postage; and other absolutely necessary articles, sup-
23 plies, and equipment not otherwise provided for; \$333,000:
24 *Provided*, That the appropriations for the Bureau of the
25 Public Debt, Internal Revenue Service, United States Pro-

1 cessing Tax Board of Review, Procurement Division, and
2 Division of Disbursement for the fiscal year 1942 are hereby
3 made available for the payment of items otherwise properly
4 chargeable to this appropriation, the provisions of section 6,
5 Act of August 23, 1912 (31 U. S. C. 669), to the contrary
6 notwithstanding.

7 CUSTODY OF TREASURY BUILDINGS

8 Salaries of operating force: For the Superintendent of
9 Treasury Buildings and for other personal services in the
10 District of Columbia, including the operating force of the
11 Treasury Building, the Treasury Annex, the Liberty Loan
12 Building, and the Auditors' Building. \$353,604.

13 Salaries and expenses, guard force: For salaries and
14 expenses of the guard force for Treasury Department build-
15 ings in the District of Columbia, including the Bureau of
16 Engraving and Printing, including not to exceed \$9,875
17 for purchase, repair, and cleaning of uniforms, and for the
18 purchase of arms and ammunition and miscellaneous equip-
19 ment, \$406,900: *Provided*, That not to exceed \$80,000
20 of the appropriation "Salaries and expenses, Bureau of
21 Engraving and Printing," may be transferred to this appro-
22 priation to cover service rendered such Bureau in connection
23 with the protection of currency, bonds, stamps, and other
24 papers of value the cost of producing which is not covered
25 and embraced in the direct appropriations for such Bureau:

1 *Provided further*, That the Secretary of the Treasury may
2 detail an agent of the Secret Service to supervise such force.

3 DIVISION OF PRINTING

4 Salaries: For the Chief, Division of Printing, and other
5 personal services in the District of Columbia, \$68,740.

6 Printing and binding: For printing and binding for the
7 Treasury Department, including all of its bureaus, offices,
8 institutions, and services located in Washington, District of
9 Columbia, and elsewhere, except the Bureau of Internal
10 Revenue, and including materials for the use of the book-
11 binder, located in the Treasury Department, but not including
12 work done at the New York Customhouse bindery authorized
13 by the Joint Committee on Printing in accordance with the
14 Act of March 1, 1919 (44 U. S. C. 111), and for the cost
15 of transportation to field offices of printed and bound material,
16 including cost of necessary packing boxes and packing
17 materials, \$538,300.

18 Stationery: For stationery for the Treasury Department
19 and its several bureaus and offices, and field services thereof,
20 including tags, labels, and index cards, printed in the course
21 of manufacturing, packing boxes and other materials neces-
22 sary for shipping stationery supplies, and cost of transporta-
23 tion of stationery supplies purchased free on board point of
24 shipment and of such supplies shipped from Washington to
25 field offices, \$704,800.

BUREAU OF ACCOUNTS

Salaries: For Commissioner of Accounts and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, \$442,500.

Division of Disbursement, salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, \$1,774,453: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for the Agricultural Adjustment Administration, Federal Housing Administration, United States Housing Authority, Federal Surplus Commodities Corporation, Federal Prison Industries, Railroad Retirement Board, United States Maritime Commission, the Federal Crop Insurance Corporation, the Commodity Credit Corporation, the Surplus Marketing Administration, and the National Youth Administration, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the

1 United States, transportation of gold coin, gold bullion, and
2 gold certificates transferred to Federal Reserve banks and
3 branches, United States mints and assay offices, and the
4 Treasury, after March 9, 1933, actual expenses of examiners
5 detailed to examine the books, accounts, and money on hand
6 at the several depositories, including national banks acting
7 as depositories under the requirements of section 3649 of the
8 Revised Statutes (31 U. S. C. 548), also including examina-
9 tions of cash accounts at mints, \$200,000.

10 Recoinage of minor coins: To enable the Secretary of
11 the Treasury to continue the recoinage of worn and uncur-
12 rent minor coins of the United States now in the Treasury
13 or hereafter received, and to reimburse the Treasurer of the
14 United States for the difference between the nominal or face
15 value of such coins and the amount the same will produce in
16 new coins, \$20,000.

17 Recoinage of silver coins: To enable the Secretary of the
18 Treasury to continue the recoinage of worn and uncurrent
19 subsidiary silver coins of the United States now in the
20 Treasury or hereafter received, and to reimburse the Treas-
21 urer of the United States for the difference between the
22 nominal or face value of such coins and the amount the same
23 will produce in new coins, \$425,000.

24 Relief of the indigent, Alaska: For the payment to the
25 United States district judges in Alaska but not to exceed

1 10 per centum of the receipts from licenses collected outside
 2 of incorporated towns in Alaska, to be expended for the
 3 relief of persons in Alaska who are indigent and incapac-
 4 itated through nonage, old age, sickness, or accident,
 5 \$30,000.

6 Refund of moneys erroneously received and covered:
 7 To enable the Secretary of the Treasury to meet any expendi-
 8 tures of the character formerly chargeable to the appropria-
 9 tion accounts abolished under section 18 of the Permanent
 10 Appropriation Repeal Act of 1934, approved June 26, 1934,
 11 and any other collections erroneously received and covered
 12 which are not properly chargeable to any other appropriation,
 13 \$35,000.

14 Payment of unclaimed moneys: To enable the Secretary
 15 of the Treasury to meet any expenditures of the character
 16 formerly chargeable to the appropriation accounts abolished
 17 under section 17 of the Permanent Appropriation Repeal
 18 Act of 1934, approved June 26, 1934, payable from the
 19 funds held by the United States in the trust fund receipt
 20 account "Unclaimed moneys of individuals whose where-
 21 abouts are unknown", \$15,000.

22 BUREAU OF THE PUBLIC DEBT

23 Salaries and expenses: For necessary expenses con-
 24 nected with the administration of any public-debt issues
 25 and United States paper-currency issues with which the

1 Secretary of the Treasury is charged, including the purchase
2 of lawbooks, directories, books of reference, pamphlets,
3 periodicals, and newspapers, and the maintenance, opera-
4 tion, and repair of a motor-propelled bus or station wagon
5 for use of the Destruction Committee, and including the
6 Commissioner of the Public Debt and other personal services
7 in the District of Columbia, \$2,374,450: *Provided*, That the
8 amount to be expended for personal services in the District
9 of Columbia shall not exceed \$2,345,500.

10 Distinctive paper for United States securities: For dis-
11 tinctive paper for United States currency, including transpor-
12 tation of paper, traveling, mill, and other necessary expenses,
13 and salaries of employees and allowance, in lieu of expenses,
14 of officer or officers detailed from the Treasury Department,
15 not exceeding \$50 per month each when actually on duty; in
16 all, \$1,114,000: *Provided*, That in order to foster competition
17 in the manufacture of distinctive paper for United States se-
18 curities, the Secretary of the Treasury is authorized, in his dis-
19 cretion, to split the award for such paper for the fiscal year
20 1942 between the two bidders whose prices per pound are
21 the lowest received after advertisement.

22 Expenses of loans: The indefinite appropriation "Ex-
23 penses of loans, Act of September 24, 1917, as amended
24 and extended" (31 U. S. C. 760, 761), shall not be used
25 during the fiscal year 1942 to supplement the appropriation

1 herein made for the current work of the Bureau of the Public
 2 Debt, and the amount obligated under such indefinite appro-
 3 priation during such fiscal year shall not exceed \$4,292,000:
 4 *Provided*, That the proviso in the Act of June 16, 1921 (31
 5 U. S. C. 761), limiting the availability of this appropriation
 6 for expenses of operations on account of any public debt issue
 7 to the close of the fiscal year next following the fiscal year in
 8 which such issue was made, shall not apply to savings bond
 9 transactions handled by the Federal Reserve banks for
 10 account of the Secretary of the Treasury.

11 OFFICE OF TREASURER OF THE UNITED STATES

12 Salaries: For Treasurer of the United States, Assistant
 13 Treasurer, and for other personal services in the District of
 14 Columbia, \$1,620,000.

15 Salaries (Reimbursable) : For personal services in the
 16 District of Columbia, in redeeming Federal Reserve notes,
 17 \$58,000, to be reimbursed by the Federal Reserve banks.

18 With the approval of the Director of the Bureau of the
 19 Budget, there may be transferred sums (not exceeding a total
 20 of \$700,000) to the appropriations, "Salaries, Office of
 21 Treasurer of the United States, 1942", "Contingent ex-
 22 penses, Treasury Department, 1942", "Printing and binding,
 23 Treasury Department, 1942", and "Stationery, Treasury
 24 Department, 1942". from funds available for the Agricul-
 25 tural Adjustment Administration, Home Owners' Loan Cor-

1 poration, Farm Credit Administration, Tennessee Valley
 2 Authority, Federal Farm Mortgage Corporation, Recon-
 3 struction Finance Corporation, Federal land banks and other
 4 banks and corporations under the supervision of the Farm
 5 Credit Administration, Railroad Retirement Board, Soil
 6 Conservation Service, including Soil Conservation and
 7 Domestic Allotment, National Youth Administration,
 8 Federal Housing Administration, United States Housing
 9 Authority, Civilian Conservation Corps, Public Works Ad-
 10 ministration, Commodity Credit Corporation, Rural Electrifi-
 11 cation Administration, and corporations and banks under the
 12 Federal Home Loan Bank Board to cover the expenses
 13 incurred on account of such respective activities in clearing
 14 of checks, servicing of bonds, handling of collections, and
 15 rendering of accounts therefor.

16 BUREAU OF CUSTOMS

17 Salaries and expenses: For collecting the revenue from
 18 customs, for the detection and prevention of frauds upon the
 19 customs revenue, and not to exceed \$100,000 for the secur-
 20 ing of evidence of violations of the customs laws; for expenses
 21 of transportation and transfer of customs receipts from points
 22 where there are no Government depositories; not to exceed
 23 \$84,500 for allowances for living quarters, including heat,
 24 fuel, and light, as authorized by the Act approved June 26,
 25 1930 (5 U. S. C. 118a), but not to exceed \$1,700 for any

1 one person; not to exceed \$500 for subscriptions to news-
2 papers; not to exceed \$2,000 for improving, repairing, main-
3 taining, or preserving buildings, inspection stations, office
4 quarters, including living quarters for officers, sheds, and
5 sites along the Canadian and Mexican borders acquired under
6 authority of the Act of June 26, 1930 (19 U. S. C. 68) :
7 and including the purchase (not to exceed \$87,500),
8 exchange, maintenance, repair, and operation of motor-pro-
9 pelled passenger-carrying vehicles when necessary for official
10 use in field work : \$21,050,000, of which such amount as may
11 be necessary shall be available for the payment of extra com-
12 pensation earned by customs officers or employees for over-
13 time services, at the expense of the parties in interest, in
14 accordance with the provisions of section 5 of the Act
15 approved February 13, 1911, as amended by the Act ap-
16 proved February 7, 1920, and section 451 of the Tariff Act,
17 1930, as amended (19 U. S. C. 261, 267, and 1451) : *Pro-*
18 *vided*, That the receipts from such parties in interest for such
19 overtime services shall be deposited as a refund to the appro-
20 priation from which such overtime compensation is paid, in
21 accordance with the provisions of section 524 of the Tariff
22 Act of 1930, as amended (19 U. S. C. 1524) : for the cost
23 of seizure, storage, and disposition of any merchandise, vehi-
24 cle and team, automobile, boat, air or water craft, or any
25 other conveyance seized under the provisions of the customs

1 laws, for the purchase of arms, ammunition, and accessories,
2 and \$570,000 shall be available for personal services in
3 the District of Columbia exclusive of ten persons from the
4 field force authorized to be detailed under section 525 of
5 the Tariff Act of 1930: *Provided*, That no part of this
6 appropriation shall be expended for maintenance or repair of
7 motor-propelled passenger-carrying vehicles for use in the
8 District of Columbia except two for use in connection with
9 the work of the customhouse in Georgetown.

10 Refunds and drawbacks: For the refund or payment of
11 customs collections or receipts, and for the payment of de-
12 bentures or drawbacks, bounties, and allowances, as author-
13 ized by law, \$19,000,000.

14 OFFICE OF THE COMPTROLLER OF THE CURRENCY

15 Salaries: Comptroller of the Currency and other personal
16 services in the District of Columbia, \$244,180.

17 BUREAU OF INTERNAL REVENUE

18 Salaries and expenses: For salaries and expenses in con-
19 nection with the assessment and collection of internal-reve-
20 nue taxes and the administration of the internal-revenue laws,
21 including the administration of such provisions of other laws
22 as are authorized by or pursuant to law to be administered
23 by or under the direction of the Commissioner of Internal
24 Revenue, including one stamp agent (to be reimbursed by
25 the stamp manufacturers) and the employment of experts;

1 the securing of evidence of violations of the Acts, the cost
2 of chemical analyses made by others than employees of the
3 United States and expenses incident to such chemists testify-
4 ing when necessary; transfer of household goods and effects
5 as provided by Act of October 10, 1940 (Public, Numbered
6 839), and regulations promulgated thereunder; telegraph
7 and telephone service, postage, freight, express, necessary
8 expenses incurred in making investigations in connection with
9 the enrollment or disbarment of practitioners before the
10 Treasury Department in internal-revenue matters, expenses
11 of seizure and sale, and other necessary miscellaneous ex-
12 penses, including stenographic reporting services; for the
13 acquisition of property under the provisions of title III of
14 the Liquor Law Repeal and Enforcement Act, approved
15 August 27, 1935 (49 Stat. 872-881), and the operation,
16 maintenance, and repair of property acquired under such
17 title III; for the purchase (not to exceed \$25,000), ex-
18 change, hire, maintenance, repair, and operation of motor-
19 propelled or horse-drawn passenger-carrying vehicles when
20 necessary, for official use of the Alcohol Tax and Intelligence
21 Units in field work; printing and binding (not to exceed
22 \$689,850) ; and the procurement of such supplies, equipment,
23 furniture, mechanical devices, laboratory supplies, periodicals
24 and newspapers for the Alcohol Tax Unit, ammunition, law-
25 books and books of reference, and such other articles as

1 may be necessary, \$71,512,000, of which amount not to
2 exceed \$9,731,155 may be expended for personal services
3 in the District of Columbia: *Provided*, That no part of this
4 amount shall be used in defraying the expenses of any officer
5 or employee designated above, subpoenaed by the United
6 States court to attend any trial before a United States court
7 or preliminary examination before any United States Com-
8 missioner, which expenses shall be paid from the appropria-
9 tion for "Fees of witnesses, Department of Justice":
10 *Provided further*, That not more than \$100,000 of the total
11 amount appropriated herein may be expended by the Com-
12 missioner of Internal Revenue for detecting and bringing to
13 trial persons guilty of violating the internal-revenue laws or
14 conniving at the same, including payments for information
15 and detection of such violation.

16 Salaries and expenses for refunding processing and re-
17 lated taxes and administering title III, Revenue Act of 1936:
18 For salaries and expenses in connection with (1) the assess-
19 ment and collection of the tax on unjust enrichment imposed
20 by title III, Revenue Act of 1936, (2) the making of refunds
21 and payments of processing and related taxes, as authorized
22 by titles IV and VII of the Revenue Act of 1936, as
23 amended, and (3) the refund of taxes collected under the
24 Cotton Act of April 21, 1934, as amended (48 Stat. 598),
25 the Tobacco Act of June 28, 1934, as amended (48 Stat.

1 1275), and the Potato Act of August 24, 1935 (49 Stat.
2 782), as authorized by the Second Deficiency Appropriation
3 Act, fiscal year 1938, as amended, including personal serv-
4 ices in the District of Columbia and elsewhere, the hiring of
5 experts, stationery and office supplies, equipment, furniture,
6 mechanical devices, lawbooks and books of reference, trade
7 journals, stenographic reporting service, telegraph and tele-
8 phone services, postage, freight, express, printing and bind-
9 ing, notarial fees, travel expenses, fees of expert witnesses,
10 and fees and mileage of witnesses, which shall be the same
11 as are paid witnesses in the courts of the United States and
12 may be paid in advance upon certification of such officer as
13 the Commissioner of Internal Revenue or the Secretary of
14 the Treasury may designate, \$1,100,000, of which amount
15 not to exceed \$875,000 may be expended for personal serv-
16 ices in the District of Columbia.

17 Refunds and payments of processing and related taxes:
18 For refunds and payments of processing and related taxes as
19 authorized by titles IV and VII, Revenue Act of 1936, as
20 amended; for refunds of taxes collected (including penalties
21 and interest) under the Cotton Act of April 21, 1934, as
22 amended (48 Stat. 598), the Tobacco Act of June 28, 1934,
23 as amended (48 Stat. 1275), and the Potato Act of August
24 24, 1935 (49 Stat. 782), in accordance with the Second
25 Deficiency Appropriation Act, fiscal year 1938 (52 Stat.

1 1150), as amended, and as otherwise authorized by law; and
2 for redemption of tax stamps purchased under the aforesaid
3 Tobacco and Potato Acts, there is hereby continued available
4 during the fiscal year 1942, the unexpended balance of
5 the funds made available to the Treasury Department for
6 these purposes for the fiscal year 1941 by the Treasury
7 Department Appropriation Act, 1941.

8 Additional income tax on railroads in Alaska: For
9 the payment to the Treasurer of Alaska of an amount equal
10 to the tax of 1 per centum collected on the gross annual
11 income of all railroad corporations doing business in Alaska,
12 on business done in Alaska, which tax is in addition to the
13 normal income tax collected from such corporations on net
14 income, and the amount of such additional tax to be appli-
15 cable to general Territorial purposes, \$6,350.

16 Refunding internal-revenue collections: For refunding
17 internal-revenue collections, as provided by law, including
18 the payment of claims for the prior fiscal years and payment
19 of accounts arising under "Allowance or draw-back (Internal
20 Revenue)", "Redemption of stamps (Internal Revenue)",
21 "Refunding legacy taxes, Act of March 30, 1928", and
22 "Repayment of taxes on distilled spirits destroyed by casu-
23 alty", \$63,000,000: *Provided*, That a report shall be made
24 to Congress by internal-revenue districts and alphabetically
25 arranged of all disbursements hereunder in excess of \$500 as

1 required by section 3 of the Act of May 29, 1928 (sec.
2 3776, I. R. C.), including the names of all persons and
3 corporations to whom such payments are made, together
4 with the amount paid to each.

5 UNITED STATES PROCESSING TAX BOARD OF REVIEW

6 Salaries and expenses: For salaries and expenses of not
7 to exceed seven members of the Board of Review established
8 by section 906 of the Revenue Act of 1936 for review of
9 the disallowance by the Commissioner of Internal Revenue
10 of claims for refund of processing taxes filed under title VII,
11 Revenue Act of 1936, as amended, including personal
12 services in the District of Columbia and elsewhere, stationery
13 and office supplies, equipment, furniture, mechanical devices,
14 law books and books of reference, press releases, trade
15 journals, periodicals and newspapers, contract reporting
16 services, telegraph and telephone services, postage, freight,
17 express, printing and binding, notarial fees, travel expenses,
18 and such other miscellaneous expenses as may be authorized
19 or approved by the Secretary of the Treasury for the work
20 of this Board, \$110,000.

21 BUREAU OF NARCOTICS

22 Salaries and expenses: For expenses to enforce the Act
23 of December 17, 1914 (26 U. S. C. 1383-1391), as
24 amended by the Revenue Act of 1918 (26 U. S. C. 1040-
25 1064), the Narcotic Drugs Import and Export Act, as

1 amended (21 U. S. C. 171-184), and the Marihuana Tax
2 Act of 1937 (26 U. S. C. 1399-1399q) ; pursuant to the Act
3 of March 3, 1927 (5 U. S. C. 281c), and the Act of June
4 14, 1930 (5 U. S. C. 282-282c), including the employment
5 of executive officers, attorneys, agents, inspectors, chemists,
6 supervisors, clerks, messengers, and other necessary em-
7 ployees in the field and in the Bureau of Narcotics in the
8 District of Columbia, to be appointed as authorized by law ;
9 the securing of information and evidence of violations of the
10 Acts ; the costs of chemical analyses made by others than
11 employees of the United States ; transfer of household goods
12 and effects as provided by the Act of October 10, 1940
13 (Public, Numbered 839) , and regulations promulgated there-
14 under ; the purchase of such supplies, equipment, mechanical
15 devices, books, and such other expenditures as may be neces-
16 sary in the several field offices ; cost incurred by officers and
17 employees of the Bureau of Narcotics in the seizure, storage,
18 and disposition of property under the internal-revenue laws
19 when the same is disposed of under section 3460, Revised
20 Statutes (26 U. S. C. 1624) ; purchase (not to exceed
21 \$10,000) , exchange, hire, maintenance, repair, and opera-
22 tion of motor-propelled or horse-drawn passenger-carrying
23 vehicles when necessary for official use in field work ; pur-
24 chase of arms and ammunition ; in all, \$1,278,475, of which
25 amount not to exceed \$190,000 may be expended for per-

1 sonal services in the District of Columbia: *Provided*, That the
 2 Secretary of the Treasury may authorize the use by narcotic
 3 agents of motor vehicles confiscated under the provisions of
 4 the Act of August 27, 1935 (27 U. S. C. 157), and the
 5 Act of August 9, 1939 (49 U. S. C., Supp. V, 781-788),
 6 and to pay the cost of acquisition, maintenance, repair,
 7 and operation thereof: *Provided further*, That not exceeding
 8 \$10,000 may be expended for the collection and dissemina-
 9 tion of information and appeal for law observance and law
 10 enforcement, including cost of printing, purchase of news-
 11 papers, and other necessary expenses in connection therewith
 12 and not exceeding \$1,500 for attendance at meetings con-
 13 cerned with the work of the Bureau of Narcotics: *Provided*
 14 *further*, That not exceeding \$10,000 may be expended for
 15 services or information looking toward the apprehension of
 16 narcotic law violators who are fugitives from justice: *Pro-*
 17 *vided further*, That moneys expended from this appropriation
 18 for the purchase of narcotics including marihuana, and subse-
 19 quently recovered shall be reimbursed to the appropriation
 20 for enforcement of the narcotic Acts current at the time of
 21 the deposit.

22 COAST GUARD

23 Office of Commandant: For personal services in the Dis-
 24 trict of Columbia, \$765,000: *Provided*, That no part of any
 25 appropriation contained in this Act shall be used to pay

1 any enlisted man of the Coast Guard while detailed for
2 duty at Coast Guard headquarters if such detail increases the
3 total number of enlisted men detailed on such duty at any
4 time above fourteen;

5 Pay and allowances: For pay and allowances prescribed
6 by law for commissioned officers, cadets, warrant officers,
7 petty officers, and other enlisted men, active and retired, tem-
8 porary cooks, surfmen, substitute surfmen, and three civilian
9 instructors, retired pay for certain members of the former
10 Life Saving Service authorized by the Act approved April
11 14, 1930 (14 U. S. C. 178a), and not exceeding \$10,000
12 for cash prizes for men for excellence in boatmanship, gun-
13 nery, target practice, and engineering competitions; for car-
14 rying out the provisions of the Act of June 4, 1920 (34
15 U. S. C. 943); not to exceed \$15,000 for cost of special
16 instruction, including books, laboratory equipment and fees,
17 school supplies, and maintenance of students; rations or
18 commutation thereof for cadets, petty officers, and other
19 enlisted men, mileage and expenses allowed by law for
20 officers; and traveling expenses of other persons traveling on
21 duty under orders from the Treasury Department, including
22 transportation of cadets, enlisted men, and applicants for en-
23 listment, with subsistence and transfers en route, or cash in
24 lieu thereof, and traveling expenses for the examinations
25 authorized by the Act entitled "An Act to provide for retire-

1 ment for disability in the Lighthouse Service", approved
2 March 4, 1925 (33 U. S. C. 765) ; expenses of recruiting
3 for the Coast Guard, rent of rendezvous, and expenses of
4 maintaining the same: advertising for and obtaining men
5 and apprentice seamen and applicants for appointment as
6 cadets: in-service training of enlisted men including cost of
7 textbooks, necessary school supplies, and correspondence
8 courses; transportation and packing allowances for baggage
9 or household effects of commissioned officers, warrant officers,
10 and enlisted men; and including not to exceed \$46,720 for
11 the recreation, amusement, comfort, contentment, and health
12 of the enlisted men of the Coast Guard, to be expended in
13 the discretion of the Secretary of the Treasury; \$32,680,000:
14 *Provided*, That no part of this appropriation shall be used
15 for increased pay at a rate in excess of \$1,440 per annum
16 to any nonflying commissioned officer or commissioned officer
17 observer for making aerial flights; which rate shall be the
18 legal maximum rate of such increased pay as to any such
19 officer: *Provided further*, That money accruing from com-
20 mutation of rations of enlisted men commuted for the benefit
21 of any mess may be paid on proper voucher to the officer
22 in charge of such mess;

23 General expenses, Coast Guard: For fuel, lubricating
24 oil, illuminants, kerosene, and water; the furnishing of heat,
25 light, and power (service) for vessels, shore stations, depots,

1 and offices; outfits, including necessary supplies and equip-
2 ment, medals, newspapers, technical books and periodicals,
3 and library books for shore stations and vessels; rental of
4 mechanical accounting machinery and other equipment;
5 repairs to portable equipment at shore units; ship chandlery,
6 engineers' stores, draft animals and their maintenance; pur-
7 chase (not to exceed \$25,000), exchange, maintenance,
8 operation, and repair of motor-propelled passenger-carry-
9 ing vehicles for official use at headquarters and in the
10 field; the rebuilding, repairing, maintenance, and incidental
11 expenses of shore stations, including lighthouses, lights,
12 beacons, and other fixed aids to navigation, radio stations,
13 depots, and offices; temporary leases and rentals; improve-
14 ment of property for Coast Guard purposes, including rental
15 or use of additional land where necessary and the purchase
16 of land for beacons, day marks, and fog signals; not to exceed
17 \$191,000 for completion of construction of the station
18 authorized by the Act approved June 29, 1936 (49 Stat.
19 2031); repairs to Coast Guard vessels, boats, and air-
20 craft, including cost of salvage operations when inci-
21 dent to such repairs; repair, maintenance, and operation
22 of vessels forfeited to the United States and delivered to
23 the Treasury Department under the terms of the Act ap-
24 proved March 3, 1925 (27 U. S. C. 41); coastal communi-
25 cation lines and facilities and their maintenance, and commun-

1 ication service; establishment, maintenance, repair, and im-
2 provement of post lights, buoys, submarine signals, fog signals,
3 beacons, day marks, and other aids to navigation; construction
4 of necessary outbuildings, including oil houses at light stations,
5 at a cost not exceeding \$2,500 at any one light station in any
6 fiscal year; wages of persons attending post lights; temporary
7 employees and field force, including professional, technical,
8 and clerical employees, while engaged on works of general
9 repair and maintenance, and laborers and mechanics at light-
10 house depots; rations and provisions, or commutation thereof,
11 for working parties in the field, officers and crews of light
12 vessels and tenders, and officials and other authorized persons
13 of the Coast Guard on duty on board of such tenders or
14 vessels, but money accruing from commutation of rations
15 and provisions for the above-named persons on board tenders
16 and light vessels or in working parties in the field may be
17 paid on proper voucher to the person having charge of the
18 mess of such vessel or party; transfer of household goods and
19 effects as provided by the Act of October 10, 1940 (Public,
20 Numbered 839), and regulations promulgated thereunder;
21 purchase of rubber boots, oilskins, rubber gloves, goggles,
22 and coats, caps, and aprons for steward's department on
23 vessels; fuel, light, and rent of quarters where necessary for
24 keepers of lighthouses; traveling expenses of teachers while
25 actually employed by States or private persons to instruct

1 the children of keepers of lighthouses; not to exceed \$1,500
2 for traveling expenses of new appointees from ports of em-
3 barkation in the United States to first post of duty at isolated
4 light stations in districts outside the continental limits of the
5 United States, and not to exceed \$2,500 for the transporta-
6 tion of the children of lighthouse keepers at isolated light
7 stations where necessary to enable such children to attend
8 school, as authorized by the Act of May 13, 1938 (33
9 U. S. C. 748a) ; necessary traveling expenses of lighthouse
10 keepers at isolated stations incurred in obtaining medical
11 attention as authorized by the Act of February 25, 1929
12 (33 U. S. C. 747b) ; purchase of provisions for sale to
13 Coast Guard personnel at isolated stations, and the appro-
14 priation reimbursed; contingent expenses, including subsist-
15 ence and clothing for shipwrecked and destitute persons
16 succored by the Coast Guard, and including reimbursement,
17 under rules prescribed by the Secretary of the Treasury,
18 of Coast Guard personnel who furnish from their personal
19 stock subsistence and clothing to such persons; subsistence
20 of prisoners while in the custody of the Coast Guard;
21 instruments, apparatus, and services necessary to the car-
22 rying on of scientific investigation, and not to exceed \$4,000
23 for experimental and research work; motion-picture equip-
24 ment (not to exceed \$30,000) and material for official
25 purposes; care, transportation, and burial of deceased officers

1 and enlisted men, including those who die in Government
2 hospitals, and civilian employees, in accordance with the
3 provisions of section 11, Act of June 6, 1940 (54 Stat. 248) ;
4 apprehension of deserters; wharfage, towage, freight, storage,
5 advertising, surveys, entrance fees in matches for the rifle
6 team and special equipment therefor; not to exceed \$2,500
7 for contingencies for the Superintendent, United States Coast
8 Guard Academy, to be expended in his discretion; payment
9 of rewards for the apprehension and conviction, or for infor-
10 mation helpful to the apprehension and conviction, of persons
11 found interfering, in violation of section 6 of the Act of
12 May 14, 1908 (33 U. S. C. 761), with aids to navigation
13 maintained by the Coast Guard; and all other necessary
14 expenses which are not included under any other heading;
15 \$13,974,150, of which \$2,026,000 shall be available
16 immediately;

17 Civilian employees, Coast Guard: For compensation of
18 civilian employees in the field, including per diem labor,
19 but excluding personnel provided for in the appropriation
20 "General Expenses, Coast Guard", \$3,500,000;

21 Airplanes: For replacement and additional airplanes
22 and their equipment, including radio and ordnance equip-
23 ment, spare parts, and accessories, to be constructed or
24 purchased in the discretion of the Secretary of the Treasury,
25 \$663,000, to remain available until June 30, 1943;

1 Construction of vessels and shore facilities: For addi-
2 tional and replacement vessels and their equipment, and the
3 construction, rebuilding, or extension of shore facilities,
4 including the acquisition of sites therefor, \$8,111,000, to
5 be immediately available and to remain available until
6 expended, of which amount not to exceed four per centum
7 shall be available for administrative expenses in connection
8 therewith, including personal services in the District of
9 Columbia, and of which amount \$5,000,000 is for the con-
10 struction and equipment of three large cutters within a total
11 limit of cost of \$11,370,000 and the Secretary of the
12 Treasury is authorized to enter into contracts during the
13 fiscal years 1941 and 1942 for their construction and equip-
14 ment within such limit;

15 Establishing and improving aids to navigation: For
16 establishing and improving aids to navigation and other
17 works, \$1,500,000, which sum shall be available for all ex-
18 penditures directly relating to the respective projects and
19 of which \$950,000 shall be immediately available;

20 Retired pay, former Lighthouse Service, Coast Guard:
21 For retired pay of certain officers and employees entitled
22 thereto by virtue of former employment in the Lighthouse
23 Service engaged in the field service or on vessels of the Coast
24 Guard, except persons continuously employed in district
25 offices and shops, \$1,000,000;

1 No part of the appropriations contained in this Act
2 under the Coast Guard, nor of any appropriation heretofore
3 made, shall be used for the construction for the Coast Guard
4 of any new permanent aviation shore station or for the perma-
5 nent enlargement of the capacity of any existing aviation
6 shore station, but this limitation shall not apply to expendi-
7 tures for completion of construction for which funds were
8 made available by the Second Deficiency Appropriation Act,
9 fiscal year 1938, or by the First Deficiency Appropriation
10 Act, fiscal year 1940;

11 Wherever during the fiscal year 1942, civilian em-
12 ployees of the Coast Guard are replaced by military per-
13 sonnel, as provided in the Act of August 5, 1939 (53 Stat.
14 1216), funds for the pay and allowances of such military per-
15 sonnel may be transferred, with the approval of the Director
16 of the Bureau of the Budget, from the appropriation or appro-
17 priations which provide for the pay of such civilian personnel
18 to the appropriation "Pay and Allowances, Coast Guard";

19 Total, Coast Guard, \$62,193,150.

20 BUREAU OF ENGRAVING AND PRINTING

21 For the work of engraving and printing, exclusive of
22 repay work, during the fiscal year 1942, United States
23 currency and internal-revenue stamps, including opium
24 orders and special-tax stamps required under the Act of

1 December 17, 1914 (26 U. S. C. 1040, 1383), checks,
2 drafts, and miscellaneous work, as follows:

3 Salaries and expenses: For the Director, two Assistant
4 Directors, and other personal services in the District of Co-
5 lumbia, including wages of rotary press plate printers at per
6 diem rates and all other plate printers at piece rates to be
7 fixed by the Secretary of the Treasury, not to exceed the
8 rates usually paid for such work; for engravers' and printers'
9 materials and other materials, including distinctive and non-
10 distinctive paper, except distinctive paper for United States
11 currency and Federal Reserve bank currency; equipment of,
12 repairs to, and maintenance of buildings and grounds and for
13 minor alterations to buildings; directories, technical books
14 and periodicals, examples of engraving and printing, includ-
15 ing foreign securities and stamps, and books of reference; not
16 exceeding \$500; traveling expenses not to exceed \$2,000;
17 miscellaneous expenses, including not to exceed \$1,500 for
18 articles approved by the Secretary of the Treasury as being
19 necessary for the protection of the person of employees; for
20 transfer to the Bureau of Standards for scientific investiga-
21 tions in connection with the work of the Bureau of Engraving
22 and Printing, not to exceed \$15,000; and for the mainte-
23 nance and driving of two motor-propelled passenger-carrying
24 vehicles; \$10,000,000, to be expended under the direction
25 of the Secretary of the Treasury.

1 During the fiscal year 1942 all proceeds derived
2 from work performed by the Bureau of Engraving and Print-
3 ing, by direction of the Secretary of the Treasury, not covered
4 and embraced in the appropriation for such Bureau for such
5 fiscal year, instead of being covered into the Treasury as
6 miscellaneous receipts, as provided by the Act of August 4,
7 1886 (31 U. S. C. 176), shall be credited when received to
8 the appropriation for such Bureau for the fiscal year 1942.

9 SECRET SERVICE DIVISION

10 Salaries: For the Chief of the Division and other per-
11 sonal services in the District of Columbia, \$69,543.

12 Suppressing counterfeiting and other crimes: For sala-
13 ries and other expenses under the authority or with the
14 approval of the Secretary of the Treasury in detecting,
15 arresting, and delivering into the custody of the United
16 States marshal or other officer having jurisdiction, dealers
17 and pretended dealers in counterfeit money, persons engaged
18 in counterfeiting, forging, and altering United States notes,
19 bonds, national-bank notes, Federal Reserve notes, Federal
20 Reserve bank notes, and other obligations and securities of
21 the United States and of foreign governments (including
22 endorsements thereon and assignments thereof), as well as
23 the coins of the United States and of foreign governments,

1 and persons committing other crimes against the laws of the
2 United States relating to the Treasury Department and the
3 several branches of the public service under its control; pur-
4 chase (not to exceed \$15,000), exchange, hire, maintenance,
5 repair, and operation of motor-propelled passenger-carrying
6 vehicles when necessary; purchase of arms and ammunition;
7 traveling expenses; transfer of household goods and effects
8 as provided by the Act of October 10, 1940 (Public, Num-
9 bered 839), and regulations promulgated thereunder; and for
10 no other purpose whatsoever, except in the performance of
11 other duties specifically authorized by law, and in the
12 protection of the person of the President and the members
13 of his immediate family and of the person chosen to be Presi-
14 dent of the United States, \$1,009,000: *Provided*, That no
15 part of the amount herein appropriated shall be used in de-
16 fraying the expenses of any person subpoenaed by the United
17 States courts to attend any trial before a United States court
18 or preliminary examination before any United States commis-
19 sioner, which expenses shall be paid from the appropriation
20 for "Fees of witnesses, Department of Justice": *Provided*
21 *further*, That of the amount herein appropriated not to
22 exceed \$15,000 may be expended in the discretion of the
23 Secretary of the Treasury for the purpose of securing informa-
24 tion concerning violations of the laws relating to the Treasury

1 Department, and for services or information looking toward
2 the apprehension of criminals.

3 White House Police: For one captain, two lieutenants,
4 four sergeants, and seventy-three privates, at rates of pay
5 provided by law; in all, \$195,900.

6 For uniforming and equipping the White House Police,
7 including the purchase, issue, and repair of revolvers, and
8 the purchase and issue of ammunition and miscellaneous
9 supplies, to be procured in such manner as the President in
10 his discretion may determine, \$6,500.

11 BUREAU OF THE MINT

12 OFFICE OF DIRECTOR OF THE MINT

13 Salaries: For the Director of the Mint and other per-
14 sonal services in the District of Columbia, \$119,540.

15 Transportation of bullion and coin: For transportation
16 of bullion and coin, by registered mail or otherwise, between
17 mints, assay offices, and bullion depositories, \$187,500, in-
18 cluding compensation of temporary employees and other
19 necessary expenses incident thereto.

20 Contingent expenses and examination of mints: For
21 assay laboratory chemicals, fuel, materials, balances, weights,
22 and other necessities, including books, periodicals, specimens
23 of coins, ores, and incidentals, and for examination of mints,
24 expense in visiting mints for the purpose of superintending

1 the annual settlements, and for special examinations and for
2 the collection of statistics relative to the annual production
3 and consumption of the precious metals in the United States,
4 \$14,300.

5 Salaries and expenses, mints and assay offices: For com-
6 pensation of officers and employees of the mints at Phila-
7 delphia, Pennsylvania, San Francisco, California, Denver,
8 Colorado, and New Orleans, Louisiana, the assay offices at
9 New York, New York, and Seattle, Washington, and the
10 bullion depositories at Fort Knox, Kentucky, and West
11 Point, New York, including necessary personal services for
12 carrying out the provisions of the Gold Reserve Act of 1934
13 and the Silver Purchase Act of 1934, and any Executive
14 orders, proclamations and regulations issued thereunder, and
15 for incidental and contingent expenses, including traveling
16 expenses, new machinery, and repairs, arms, and ammuni-
17 tion, purchase and maintenance of uniforms and accessories
18 for guards, protective devices, and their maintenance, training
19 of employees in use of firearms and protective devices, pur-
20 chase (not exceeding \$1,700) and exchange of a motorbus,
21 maintenance, repair, and operation of two motorbusses for
22 use at the Fort Knox Bullion Depository, cases and enamel-
23 ing for medals manufactured, net wastage in melting and
24 refining and in coining departments, loss on sale of sweeps
25 arising from the treatment of bullion and the manufacture of

1 coins, not to exceed \$500 for the expenses of the annual
2 assay commission, and not exceeding \$1,000 for the acqui-
3 sition, at the dollar face amount or otherwise, of specimen
4 and rare coins, including United States and foreign gold coins
5 and pieces of gold used as, or in lieu of, money, and ores, for
6 addition to the Government's collection of such coins, pieces,
7 and ores; \$3,191,500.

8
9 PROCUREMENT DIVISION

9 Salaries and expenses: For the Director of Procurement
10 and other personal services in the District of Columbia and
11 in the field service, and for miscellaneous expenses, including
12 office supplies and materials, purchase and exchange of
13 motortrucks and maintenance thereof, telegrams, telephone
14 service, traveling expenses, office equipment, fuel, light,
15 electric current, and other expenses for carrying into effect
16 regulations governing the procurement, warehousing, and
17 distribution by the Procurement Division of the Treasury
18 Department of property, equipment, stores, and supplies in
19 the District of Columbia and in the field (including not to
20 exceed \$500 to settle claims for damages caused to private
21 property by motor vehicles used by the Procurement Divi-
22 sion), \$889,000: *Provided*, That the Secretary of the
23 Treasury is authorized and directed during the fiscal year
24 1942 to transfer to this appropriation from any appro-
25 priations or funds available to the several departments

1 and establishments of the Government for the fiscal year
2 1942 such amounts as may be approved by the Director
3 of the Bureau of the Budget, not to exceed the sum
4 of (a) the amount of the annual compensation of em-
5 ployees who may be transferred or detailed to the Procure-
6 ment Division, respectively, from any such department or
7 establishment, where the transfer or detail of such employees
8 is incident to a transfer of a function or functions to that
9 Division and (b) such amount as the Director of the Bureau
10 of the Budget may determine to be necessary for expenses
11 other than personal services incident to the proper carrying
12 out of functions so transferred: *Provided further*, That
13 payments during the fiscal year 1942 to the general
14 supply fund for materials, and supplies (including fuel),
15 and services, and overhead expenses for all issues shall be
16 made on the books of the Treasury Department by transfer
17 and counterwarrants prepared by the Procurement Division
18 of the Treasury Department and countersigned by the Comp-
19 troller General, such warrants to be based solely on itemized
20 invoices prepared by the Procurement Division at issue
21 prices to be fixed by the Director of Procurement: *Provided*
22 *further*, That advances received pursuant to law (31 U. S. C.
23 686) from departments and establishments of the United
24 States Government and the government of the District of

1 Columbia during the fiscal year 1942 shall be credited
2 to the general supply fund: *Provided further*, That not
3 to exceed \$1,000,000 shall be available from the general
4 supply fund during the fiscal year 1942 for personal services:
5 *Provided further*, That the term "fuel" shall be held
6 to include "fuel oil": *Provided further*, That the re-
7 quirements of sections 3711 and 3713 of the Revised
8 Statutes (40 U. S. C. 109) relative to the weighing of coal
9 and wood and the separate certificate as to the weight,
10 measurement, or quantity of coal and wood purchased shall
11 not apply to purchases by the Procurement Division at free-
12 on-board destination outside of the District of Columbia:
13 *Provided further*, That the reconditioning and repair of sur-
14 plus property and equipment, for disposition or reissue to
15 Government service, may be made at cost by the Procure-
16 ment Division, payment therefor to be effected by charging
17 the proper appropriation and crediting the appropriation
18 "Salaries and expenses, Procurement Division".

19 Repairs to typewriting machines (except bookkeeping
20 and billing machines) in the Government service in the Dis-
21 trict of Columbia may be made at cost by the Procurement
22 Division, payment therefor to be effected by charging the
23 proper appropriation and crediting the appropriation
24 "Salaries and expenses, Procurement Division".

1 No part of any money appropriated by this or any other
2 Act shall be used during the fiscal year 1942 for the purchase
3 of any standard typewriting machines (except bookkeeping,
4 billing, and electric machines) at a price in excess of the
5 following for models with carriages which will accommodate
6 paper of the following widths, to wit: Ten inches (cor-
7 respondence models), \$70; twelve inches, \$75; fourteen
8 inches, \$77.50; sixteen inches, \$82.50; eighteen inches,
9 \$87.50; twenty inches, \$94; twenty-two inches, \$95;
10 twenty-four inches, \$97.50; twenty-six inches, \$103.50;
11 twenty-eight inches, \$104; thirty inches, \$105; thirty-two
12 inches, \$107.50; or, for standard typewriting machines dis-
13 tinctively quiet in operation, the maximum prices shall be as
14 follows for models with carriages which will accommodate
15 paper of the following widths, to wit: Ten inches, \$80;
16 twelve inches, \$85; fourteen inches, \$90; eighteen inches,
17 \$95.

18 This title may be cited as the "Treasury Department
19 Appropriation Act 1942".

20 TITLE II—POST OFFICE DEPARTMENT

21 The following sums are appropriated in conformity with
22 the Act of July 2, 1836 (5 U. S. C. 380, 39 U. S. C. 786),
23 for the Post Office Department for the fiscal year ending
24 June 30, 1942, namely:

1 POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF
2 COLUMBIA

3 OFFICE OF THE POSTMASTER GENERAL

4 Salaries: For the Postmaster General and other per-
5 sonal services in the office of the Postmaster General in
6 the District of Columbia, \$226,904.

7 SALARIES IN BUREAUS AND OFFICES

8 For personal services in the District of Columbia in
9 bureaus and offices of the Post Office Department in not to
10 exceed the following amounts, respectively:

11 Office of the First Assistant Postmaster General,
12 \$391,420.

13 Office of the Second Assistant Postmaster General,
14 \$587,600.

15 Office of the Third Assistant Postmaster General,
16 \$791,060.

17 Office of the Fourth Assistant Postmaster General,
18 \$474,240.

19 Office of the Solicitor for the Post Office Department,
20 \$115,500.

21 Office of the chief inspector, \$240,910.

22 Office of the purchasing agent, \$47,240.

23 Bureau of Accounts, \$114,120.

1 CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

2 For contingent and miscellaneous expenses; stationery
3 and blank books, index and guide cards, folders and binding
4 devices, including purchase of free penalty envelopes; tele-
5 graph and telephone service, furniture and filing cabinets
6 and repairs thereto; purchase, exchange, maintenance, and
7 repair of tools, electrical supplies, typewriters, adding ma-
8 chines, and other labor-saving devices; purchase (including
9 exchange) of one motor-propelled passenger-carrying vehicle,
10 and for maintenance of motortrucks and of two motor-driven
11 passenger-carrying vehicles, to be used only for official pur-
12 poses (one for the Postmaster General and one for the gen-
13 eral use of the Department); streetcar fares; floor cover-
14 ings; postage stamps for correspondence addressed abroad,
15 which is not exempt under article 49 of the Buenos
16 Aires convention of the Universal Postal Union; purchase
17 and exchange of lawbooks, books of reference, railway guides,
18 city directories, and books necessary to conduct the business
19 of the Department; newspapers, not exceeding \$200; ex-
20 penses, except membership fees, of attendance at meetings or
21 conventions concerned with postal affairs, when incurred on
22 the written authority of the Postmaster General, not exceed-
23 ing \$2,000; expenses of the purchasing agent and of the
24 Solicitor and attorneys connected with his office while travel-

1 ing on business of the Department, not exceeding \$800; and
2 other expenses not otherwise provided for; \$89,796.

3 For printing and binding for the Post Office Depart-
4 ment, including all of its bureaus, offices, institutions, and
5 services located in Washington, District of Columbia, and
6 elsewhere, \$810,000.

7 Appropriations hereinafter made for the field service of
8 the Post Office Department, except as otherwise provided,
9 shall not be expended for any of the purposes hereinbefore
10 provided for on account of the Post Office Department in the
11 District of Columbia: *Provided*, That the actual and neces-
12 sary expenses of officials and employees of the Post Office
13 Department and Postal Service, when traveling on official
14 business, may continue to be paid from the appropriations for
15 the service in connection with which the travel is performed,
16 and appropriations for the fiscal year 1942 of the character
17 heretofore used for such purposes shall be available therefor:
18 *Provided further*, That appropriations hereinafter made,
19 except such as are exclusively for payment of compensation,
20 shall be immediately available for expenses in connection
21 with the examination of estimates for appropriations in the
22 field including per diem allowances in lieu of actual expenses
23 of subsistence.

1 FIELD SERVICE, POST OFFICE DEPARTMENT

2 OFFICE OF THE POSTMASTER GENERAL

3 Travel expenses, Postmaster General and Assistant
4 Postmasters General: For travel and miscellaneous expenses
5 in the Postal Service, offices of the Postmaster General and
6 Assistant Postmasters General, \$3,000.

7 Personal or property damage claims: To enable the
8 Postmaster General to pay claims for damages, occurring
9 during the fiscal year 1942, or in prior fiscal years, to per-
10 sons or property in accordance with the provisions of the
11 Deficiency Appropriation Act, approved June 16, 1921
12 (5 U. S. C. 392), as amended by the Act approved June
13 22, 1934 (48 Stat. 1207), \$45,000.

14 Adjusted losses and contingencies: To enable the Post-
15 master General to pay to postmasters, Navy mail clerks,
16 and assistant Navy mail clerks or credit them with the
17 amount ascertained to have been lost or destroyed during
18 the fiscal year 1942, or prior fiscal years, through burglary,
19 fire, or other unavoidable casualty resulting from no fault or
20 negligence on their part, as authorized by the Act approved
21 March 17, 1882, as amended, \$60,000.

22 OFFICE OF CHIEF INSPECTOR

23 Salaries of inspectors: For salaries of fifteen inspectors
24 in charge of divisions and six hundred and twenty inspectors,
25 \$2,405,700.

1 Traveling and miscellaneous expenses: For traveling
2 expenses of inspectors, inspectors in charge, the chief post-
3 office inspector, and the assistant chief post-office inspector,
4 and for the traveling expenses of four clerks performing sten-
5 ographic and clerical assistance to post-office inspectors in the
6 investigation of important fraud cases; for tests, exhibits,
7 documents, photographs, office, and other necessary expenses
8 incurred by post-office inspectors in connection with their
9 official investigations, including necessary miscellaneous ex-
10 penses of division headquarters, and not to exceed \$500 for
11 technical and scientific books and other books of reference
12 needed in the operation of the Post Office Inspection Service,
13 \$652,350: *Provided*, That not exceeding \$26,000 of this
14 sum shall be available for transfer by the Postmaster General
15 to other departments and independent establishments for
16 chemical and other investigations.

17 Clerks, division headquarters: For compensation of
18 one hundred and ninety-four clerks, at division headquarters
19 of post-office inspectors, \$483,975.

20 Payment of rewards: For payment of rewards for the
21 detection, arrest, and conviction of post-office burglars, rob-
22 bers, highway mail robbers, and persons mailing or causing
23 to be mailed any bomb, infernal machine, or mechanical,
24 chemical, or other device or composition which may ignite
25 or explode, \$55,000: *Provided*, That rewards may be paid

1 in the discretion of the Postmaster General, when an offender
2 of the classes mentioned was killed in the act of committing
3 the crime or in resisting lawful arrest: *Provided further*,
4 That no part of this sum shall be used to pay any rewards
5 at rates in excess of those specified in Post Office Depart-
6 ment Order 9273, dated July 25, 1936: *Provided further*,
7 That of the amount herein appropriated not to exceed
8 \$20,000 may be expended in the discretion of the Postmaster
9 General, for the purpose of securing information concerning
10 violations of the postal laws and for services and information
11 looking toward the apprehension of criminals.

12 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

13 Compensation to postmasters: For compensation to post-
14 masters, including compensation as postmaster to persons
15 who, pending the designation of an acting postmaster, assume
16 and properly perform the duties of postmaster in the event
17 of a vacancy in the office of postmaster of the third or fourth
18 class, and for allowances for rent, light, fuel, and equipment
19 to postmasters of the fourth class, \$50,200,000.

20 Compensation to assistant postmasters: For compensa-
21 tion to assistant postmasters at first- and second-class post
22 offices, \$7,230,000.

23 Clerks, first- and second-class post offices: For compen-
24 sation to clerks and employees at first- and second-class post
25 offices, including auxiliary clerk hire at summer and winter

1 post offices, printers, mechanics, skilled laborers, watchmen,
2 messengers, laborers, and substitutes, \$216,000,000.

3 Clerks, contract stations: For compensation to clerks
4 in charge of contract stations, \$1,640,000.

5 Separating mails: For separating mails at third- and
6 fourth-class post offices, \$415,000.

7 Unusual conditions: For unusual conditions at post
8 offices, \$85,000.

9 Clerks, third-class post offices: For allowances to third-
10 class post offices to cover the cost of clerical services
11 \$8,050,000.

12 Miscellaneous items, first- and second-class post offices:
13 For miscellaneous items necessary and incidental to the opera-
14 tion and protection of post offices of the first and second
15 classes, and the business conducted in connection therewith,
16 not provided for in other appropriations, \$1,825,000.

17 Village delivery service: For village delivery service
18 in towns and villages having post offices of the second or
19 third class, and in communities adjacent to cities having city
20 delivery, \$1,675,000.

21 Detroit River service: For Detroit River postal service,
22 \$11,960.

23 Carfare and bicycle allowance: For carfare and bicycle
24 allowance, including special-delivery carfare, and cost of
25 transporting carriers by privately owned automobiles to and

1 from their routes, at rates not exceeding regular streetcar
2 or bus fare, \$1,450,000.

3 City delivery carriers: For pay of letter carriers, City
4 Delivery Service, and United States Official Mail and Mes-
5 senger Service, \$151,500,000.

6 Special-delivery fees: For fees to special-delivery
7 messengers, \$9,250,000.

8 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

9 Star-route service: For inland transportation by star
10 routes (excepting service in Alaska), including temporary
11 service to newly established offices, \$11,250,000.

12 Star-route service, Alaska: For inland transportation
13 by star routes in Alaska, \$170,000.

14 Powerboat service: For inland transportation by steam-
15 boat or other powerboat routes, including ship, steamboat,
16 and way letters, \$1,397,750.

17 Railroad transportation and mail messenger service: For
18 inland transportation by railroad routes and for mail mes-
19 senger service, \$112,000,000: *Provided*, That separate ac-
20 counts be kept of the amount expended for mail messenger
21 service: *Provided further*, That there may be expended from
22 this appropriation for personal services in the District of
23 Columbia not exceeding the sum of \$33,050 to carry out
24 the provisions of section 214 of the Act of February 28,
25 1925 (39 U. S. C. 826) (cost ascertainment).

1 Railway Mail Service: For fifteen division superintend-
2 ents, fifteen assistant division superintendents, two assistant
3 superintendents at large, one hundred and twenty chief
4 clerks, one hundred and twenty assistant chief clerks, clerks
5 in charge of sections in the offices of division superintendents.
6 railway postal clerks, substitute railway postal clerks, joint
7 employees, and laborers in the Railway Mail Service, \$57,-
8 400,000.

9 Railway postal clerks, travel allowance: For travel
10 allowance to railway postal clerks and substitute railway
11 postal clerks. \$3,275,000.

12 Railway Mail Service, traveling expenses: For actual
13 and necessary expenses, general superintendent and assistant
14 general superintendent, division superintendents, assistant di-
15 vision superintendents, assistant superintendents, chief clerks,
16 and assistant chief clerks, Railway Mail Service, and railway
17 postal clerks, while actually traveling on business of the
18 Post Office Department and away from their several desig-
19 nated headquarters, \$55,000.

20 Railway Mail Service, miscellaneous expenses: For
21 rent, light, heat, fuel, telegraph, miscellaneous and office
22 expenses, telephone service, badges for railway postal clerks,
23 rental of space for terminal railway post offices for the dis-
24 tribution of mails when the furnishing of space for such
25 distribution cannot, under the Postal Laws and Regulations,

1 properly be required of railroad companies without addi-
2 tional compensation, and for equipment and miscellaneous
3 items necessary to terminal railway post offices, \$440,000.

4 Electric- and cable-car service: For electric- and cable-
5 car service, \$200,000.

6 Foreign mail transportation: For transportation of
7 foreign mails, except by aircraft, \$2,300,000: *Provided*, That
8 the Postmaster General is authorized to expend such sums
9 as may be necessary, not to exceed \$70,000, to cover the
10 cost to the United States for maintaining sea post service
11 on ocean steamships conveying the mails to and from the
12 United States.

13 Balances due foreign countries: For balances due foreign
14 countries, fiscal year 1942 and prior years, \$1,500,000.

15 Indemnities, international mail: For payment of limited
16 indemnity for the injury or loss of international mail in
17 accordance with convention, treaty, or agreement stipula-
18 tions, fiscal year 1942 and prior years, \$8,000.

19 Rural Delivery Service: For pay of rural carriers, auxil-
20 iary carriers, substitutes for rural carriers on annual and sick
21 leave, clerks in charge of rural stations, and tolls and ferriage,
22 Rural Delivery Service, and for the incidental expenses
23 thereof, \$92,100,000, of which not less than \$200,000 shall
24 be available for extensions and new service.

25 Foreign air-mail transportation: For transportation of

1 foreign mails by aircraft, as authorized by law, including
 2 the transportation of mail by aircraft between Seattle,
 3 Washington, and Juneau, Alaska, via Ketchikan, Alaska,
 4 \$15,477,831.

5 Domestic Air Mail Service: For the inland transpor-
 6 tation of mail by aircraft, as authorized by law, and for
 7 the incidental expenses thereof, including not to exceed
 8 \$54,400 for supervisory officials and clerks at air-mail
 9 transfer points, travel expenses, and not to exceed \$64,500
 10 for personal services in the District of Columbia, \$21,280,327.

11 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

12 Manufacture and distribution of stamps and stamped
 13 paper: For manufacture of adhesive postage stamps, special-
 14 delivery stamps, books of stamps, stamped envelopes, news-
 15 paper wrappers, postal cards, and for coiling of stamps, and
 16 including not to exceed \$22,500 for pay of agent and assist-
 17 ants to examine and distribute stamped envelopes and news-
 18 paper wrappers, and for expenses of agency, \$5,000,000.

19 Indemnities, domestic mail: For payment of limited
 20 indemnity for the injury or loss of pieces of domestic regis-
 21 tered matter, insured and collect-on-delivery mail, and for
 22 failure to remit collect-on-delivery charges, \$500,000.

23 Unpaid money orders more than one year old: For
 24 payment of domestic money orders after one year from the
 25 last day of the month of issue of such orders, \$190,000.

1 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL
2 Post office stationery, equipment, and supplies: For sta-
3 tionery for the Postal Service, including the money-order
4 and registry system; and also for the purchase of supplies
5 for the Postal Savings System, including rubber stamps,
6 canceling devices, certificates, envelopes, and stamps for use
7 in evidencing deposits, and free penalty envelopes; and for
8 the reimbursement of the Secretary of the Treasury for ex-
9 penses incident to the preparation, issue, and registration of
10 the bonds authorized by the Act of June 25, 1910 (39
11 U. S. C. 760) for miscellaneous equipment and supplies,
12 including the purchase and repair of furniture, package boxes,
13 posts, trucks, baskets, satchels, straps, letter-box paint, baling
14 machines, perforating machines, stamp vending and postage
15 meter devices, duplicating machines, printing presses, direc-
16 tories, cleaning supplies, and the manufacture, repair, and
17 exchange of equipment, the erection and painting of letter-
18 box equipment, and for the purchase and repair of presses
19 and dies for use in the manufacture of letter boxes; for post-
20 marking, rating, money-order stamps, and electrotype plates
21 and repairs to same; metal, rubber, and combination type,
22 dates and figures, type holders, ink pads for canceling and
23 stamping purposes, and for the purchase, exchange, and
24 repair of typewriting machines, envelope-opening machines,
25 and computing machines, numbering machines, time re-

1 corders, letter balances, scales (exclusive of dormant or
2 built-in platform scales in Federal buildings), test weights,
3 and miscellaneous articles purchased and furnished directly to
4 the Postal Service, including complete equipment and furni-
5 ture for post offices in leased and rented quarters; for the pur-
6 chase (including exchange), repair, and replacement of arms
7 and miscellaneous items necessary for the protection of the
8 mails; for miscellaneous expenses in the preparation and pub-
9 lication of post-route maps and rural delivery maps or blue-
10 prints, including tracing for photolithographic reproduction;
11 for other expenditures necessary and incidental to post offices
12 of the first, second, and third classes, and offices of the fourth
13 class having or to have rural delivery service, and for letter
14 boxes; for the purchase of atlases and geographical and
15 technical works not to exceed \$1,500; for wrapping twine
16 and tying devices (not more than three-fourths of the funds
17 herein appropriated for the purchase of twine shall be ex-
18 pended in the purchase of twine manufactured from materials
19 or commodities produced outside the United States); for
20 expenses incident to the shipment of supplies, including hard-
21 ware, boxing, packing, and not exceeding \$62,300 for the
22 pay of employees in connection therewith in the District of
23 Columbia; for rental, purchase, exchange, and repair of can-
24 celing machines and motors, mechanical mail-handling ap-
25 paratus, accident prevention, and other labor-saving devices,

1 including cost of power in rented buildings and miscellaneous
2 expenses of installation and operation of same, including
3 not to exceed \$35,000 for salaries of thirteen traveling
4 mechanics, and for traveling expenses, \$3,225,000: *Pro-*
5 *vided*, That the Postmaster General may authorize the sale
6 to the public of post-route maps and rural delivery maps or
7 blueprints at the cost of printing and 10 per centum thereof
8 added.

9 Equipment shops, Washington, District of Columbia:
10 For the purchase, manufacture, and repair of mail bags and
11 other mail containers and attachments, mail locks, keys,
12 chains, tools, machinery, and material necessary for same,
13 and for incidental expenses pertaining thereto; material, ma-
14 chinery, and tools necessary for the manufacture and repair
15 of such other equipment for the Postal Service as may be
16 deemed expedient; accident prevention; for the expenses of
17 maintenance and repair of the mail bag equipment shops
18 building and equipment, including fuel, light, power, and
19 miscellaneous supplies and services; maintenance of grounds;
20 for compensation to labor employed in the equipment shops
21 and in the operation, care, maintenance, and protection of
22 the equipment shops building, grounds, and equipment,
23 \$1,075,000, of which not to exceed \$605,000 may be
24 expended for personal services in the District of Colum-
25 bia: *Provided*, That out of this appropriation the Post-

1 master General is authorized to use as much of the sum,
2 not exceeding \$15,000, as may be deemed necessary for
3 the purchase of material and the manufacture in the equip-
4 ment shops of such small quantities of distinctive equipments
5 as may be required by other executive departments; and for
6 service in Alaska, Puerto Rico, Philippine Islands, Hawaii,
7 or other island possessions.

8 Rent, light, fuel, and water: For rent, light, fuel, and
9 water, for first-, second-, and third-class post offices, and the
10 cost of advertising for lease proposals for such offices,
11 \$9,900,000.

12 Pneumatic-tube service, New York City: For rental of
13 not exceeding twenty-eight miles of pneumatic tubes, hire
14 of labor, communication service, electric power, and other
15 expenses for transmission of mail in the city of New York
16 including the Borough of Brooklyn, \$540,628: *Provided*,
17 That the provisions of the Acts of April 21, 1902, May 27,
18 1908, and June 19, 1922 (39 U. S. C. 423), relating to
19 contracts for the transmission of mail by pneumatic tubes
20 or other similar devices shall not be applicable hereto.

21 Pneumatic-tube service, Boston: For the rental of not
22 exceeding two miles of pneumatic tubes, not including labor
23 and power in operating the same, for the transmission of mail
24 in the city of Boston, Massachusetts, \$24,000: *Provided*,
25 That the provisions not inconsistent herewith of the Acts

1 of April 21, 1902 (39 U. S. C. 423), and May 27, 1908
2 (39 U. S. C. 423), relating to the transmission of mail
3 by pneumatic tubes or other similar devices shall be appli-
4 cable hereto.

5 Vehicle service: For vehicle service; the hire of ve-
6 hicles; the rental of garage facilities; the purchase, exchange,
7 maintenance, and repair of motor vehicles, including the
8 repair of vehicles owned by, or under the control of, units of
9 the National Guard and departments and agencies of the
10 Federal Government where repairs are made necessary be-
11 cause of utilization of such vehicles in the Postal Service:
12 accident prevention; the hire of supervisors, clerical assist-
13 ance, mechanics, drivers, garagemen, and such other em-
14 ployees as may be necessary in providing vehicles and vehicle
15 service for use in the collection, transportation, delivery, and
16 supervision of the mail, and United States official mail and
17 messenger service, \$15,900,000: *Provided*, That the Post-
18 master General may, in his disbursement of this appropria-
19 tion, apply a part thereof to the leasing of quarters for the
20 housing of Government-owned motor vehicles at a reasonable
21 annual rental for a term not exceeding ten years: *Provided*
22 *further*, That the Postmaster General, during the fiscal year
23 1942 may purchase and maintain from the appropriation
24 "Vehicle service" such tractors and trailer trucks as may be
25 required in the operation of the vehicle service: *Provided*

1 *further*, That no part of this appropriation shall be expended
 2 for maintenance or repair of motor-propelled passenger-carry-
 3 ing vehicles for use in connection with the administrative
 4 work of the Post Office Department in the District of
 5 Columbia.

6 Transportation of equipment and supplies: For the
 7 transportation and delivery of equipment, materials, and sup-
 8 plies for the Post Office Department and Postal Service by
 9 freight, express, or motor transportation, and other incidental
 10 expenses, \$330,000.

11 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

12 Operating force: For personal services in connection
 13 with the operation of public buildings, including the Wash-
 14 ington Post Office and the Customhouse Building in the
 15 District of Columbia, operated by the Post Office Depart-
 16 ment, together with the grounds thereof and the equipment
 17 and furnishings therein, including telephone operators for
 18 the operation of telephone switchboards or equivalent tele-
 19 phone switchboard equipment in such buildings jointly serv-
 20 ing in each case two or more governmental activities,
 21 \$23,500,000: *Provided*, That in no case shall the rates of
 22 compensation for the mechanical labor force be in excess of
 23 the rates current at the time and in the place where such
 24 services are employed.

25 Operating supplies, public buildings: For fuel, steam,

1 gas, and electric current for lighting, heating, and power
2 purposes, water, ice, lighting supplies, removal of ashes and
3 rubbish, snow and ice, cutting grass and weeds, washing
4 towels, telephone service for custodial forces, and for mis-
5 cellaneous services and supplies, accident prevention, vacuum
6 cleaners, tools and appliances and repairs thereto, for the
7 operation of completed and occupied public buildings and
8 grounds, including mechanical and electrical equipment, but
9 not the repair thereof, operated by the Post Office Depart-
10 ment, including the Washington Post Office and the Custom-
11 house Building in the District of Columbia, and for the trans-
12 portation of articles and supplies authorized herein, \$5,500,-
13 000: *Provided*, That the foregoing appropriation shall not be
14 available for personal services except for work done by con-
15 tract, or for temporary job labor under exigency not exceed-
16 ing at one time the sum of \$100 at any one building: *Pro-*
17 *vided further*, That the Postmaster General is authorized to
18 contract for telephone service in public buildings under his
19 administration by means of telephone switchboards or equiva-
20 lent telephone switching equipment jointly serving in each
21 case two or more governmental activities, where he deter-
22 mines that joint service is economical and in the interest of
23 the Government, and to secure reimbursement for the cost of
24 such joint service from available appropriations for telephone
25 expenses of the bureaus and offices receiving the same.

1 Furniture, carpets, and safes, public buildings: For the
2 procurement, including transportation, of furniture, carpets,
3 safes, safe and vault protective devices, and repairs of same,
4 for use in public buildings which are now, or may hereafter
5 be, operated by the Post Office Department, \$600,000: *Pro-*
6 *vided*, That, excepting expenditures for labor for or incidental
7 to the moving of equipment from or into public buildings,
8 the foregoing appropriation shall not be used for personal
9 services except for work done under contract or for temporary
10 job labor under exigency and not exceeding at one time the
11 sum of \$100 at any one building: *Provided further*, That all
12 furniture now owned by the United States in other public
13 buildings or in buildings rented by the United States shall be
14 used, so far as practicable, whether or not it corresponds with
15 the present regulation plan of furniture.

16 Scientific investigations: In the disbursement of appro-
17 priations contained in this title for the field service of the
18 Post Office Department the Postmaster General may trans-
19 fer to the Bureau of Standards not to exceed \$20,000 for
20 scientific investigations in connection with the purchase of
21 materials, equipment, and supplies necessary in the mainte-
22 nance and operation of the Postal Service.

23 Deficiency in postal revenues: If the revenues of the
24 Post Office Department shall be insufficient to meet the
25 appropriations made under title II of this Act, a sum equal

1 to such deficiency in the revenues of such Department is
2 hereby appropriated, to be paid out of any money in the
3 Treasury not otherwise appropriated, to supply such de-
4 ficiency in the revenues of the Post Office Department for
5 the fiscal year ending June 30, 1942, and the sum needed
6 may be advanced to the Post Office Department upon requi-
7 sition of the Postmaster General.

8 This title may be cited as the "Post Office Department
9 Appropriation Act, 1942".

10 TITLE III—GENERAL PROVISIONS

11 SEC. 301. Appropriations for the fiscal year 1942
12 available for expenses of travel of civilian officers and
13 employees of the executive departments and establishments
14 shall be available also for expenses of travel performed by
15 them on transfer from one official station to another when
16 authorized by the head of the department or establishment
17 concerned in the order directing such transfer: *Provided*,
18 That such expenses shall not be allowed for any transfer
19 effected for the convenience of any officer or employee.

20 SEC. 302. No appropriation available for the executive
21 departments and independent establishments of the Govern-
22 ment for the fiscal year ending June 30, 1942, whether
23 contained in this Act or any other Act, shall be expended—

24 (a) To purchase any motor-propelled passenger-car-
25 rying vehicle (exclusive of busses, ambulances, and station

1 wagons , at a cost, completely equipped for operation,
2 and including the value of any vehicle exchanged, in excess
3 of \$750, unless otherwise specifically provided for in the
4 appropriation.

5 (b) For the maintenance, operation, and repair of any
6 Government-owned motor-propelled passenger-carrying ve-
7 hicle not used exclusively for official purposes; and "official
8 purposes" shall not include the transportation of officers and
9 employees between their domiciles and places of employ-
10 ment, except in cases of medical officers on out-patient
11 medical services and except in cases of officers and employees
12 engaged in field work the character of whose duties makes
13 such transportation necessary and then only as to such latter
14 cases when the same is approved by the head of the depart-
15 ment or establishment concerned. The limitations of this
16 subsection (b) shall not apply to any motor vehicles for
17 official use of the President, the heads of the executive depart-
18 ments, Ambassadors, Ministers, and chargés d'affaires.

19 (c) For the maintenance, upkeep, and repair (exclusive
20 of garage rent, pay of operators, tires, fuel, and lubricants)
21 on any one motor-propelled passenger-carrying vehicle, ex-
22 cept busses and ambulances, in excess of one-third of the
23 market price of a new vehicle of the same make and class
24 and in no case in excess of \$400.

25 SEC. 303. No part of the money appropriated under

1 this Act shall be paid to any person for the filling of any
2 position for which he or she has been nominated after the
3 Senate upon vote has failed to confirm the nomination of
4 such person.

5 SEC. 304. No part of any appropriation contained in
6 this Act or authorized hereby to be expended shall be used
7 to pay the compensation of any officer or employee of the
8 Government of the United States, or of any agency the
9 majority of the stock of which is owned by the Government
10 of the United States, whose post of duty is in continental
11 United States, unless such officer or employee is a citizen
12 of the United States or a person in the service of the United
13 States on the date of the approval of this Act who, being
14 eligible for citizenship, has filed a declaration of intention to
15 become a citizen or who owes allegiance to the United States:
16 *Provided*, That this section shall not apply to enlisted men
17 of the United States Coast Guard who are on active duty in
18 that service on the effective date of this Act, until the ex-
19 piration of the period required for such enlisted men to com-
20 plete their naturalization, nor shall it apply to personnel of
21 the Coast Guard on the retired list, and enlisted men on
22 active duty with over twelve years' honorable service who
23 are ineligible for United States citizenship.

- 1 SEC. 305. This Act may be cited as the "Treasury and
- 2 Post Office Departments Appropriation Act, 1942".

Passed the House of Representatives February 13, 1941.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

AN ACT

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1942, and for other purposes.

FEBRUARY 14 (legislative day, FEBRUARY 13), 1941
Read twice and referred to the Committee on
Appropriations

TREASURY AND POST OFFICE DEPARTMENTS APPRO-
PRIATION BILL, FISCAL YEAR 1942

151

MARCH 26, 1941.—Ordered to be printed

Mr. GLASS, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H. R. 3205]

The Committee on Appropriations, to whom was referred the bill
(H. R. 3205) making appropriations for the Treasury and Post Office
Departments for the fiscal year ending June 30, 1942, and for other
purposes, report the same to the Senate with various amendments
and present herewith information relative to the changes made.

by Mr.

Amount of bill as passed House.....	\$1, 146, 394, 496. 00
Increase by Senate.....	5, 978, 136. 00

Amount of bill as reported to Senate.....	1, 152, 372, 632. 00
Amount of regular and supplemental estimates for 1942.....	1, 155, 602, 978. 00
Amount of appropriations for 1941.....	1, 150, 140, 312. 00
The bill as reported to Senate:	
Exceeds the appropriations for 1941.....	2, 232, 320. 00
Under the estimates for 1942.....	3, 230, 346. 00

part-
other

menta-
bled,

money

5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1942.
7 namely:

OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, Under Secretary of the Treasury, Fiscal Assistant Secretary of the Treasury, two Assistant Secretaries of the Treasury, and other personal services in the District of Columbia, including the temporary employment of experts, \$290,000: *Provided*, That in expending appropriations or portions of appropriations contained in this Act for the payment of personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretaries of the Treasury and the Assistant Postmasters General, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such Act, as amended, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year, and then only to the next higher rate: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, (2) to require the reduction in salary of any person whose

1 compensation was fixed, as of July 1, 1924, in accordance
2 with the rules of section 6 of such Act, (3) to require the
3 reduction in salary of any person who is transferred from one
4 position to another position in the same or different grade in
5 the same or a different bureau, office, or other appropriation
6 unit, (4) to prevent the payment of a salary under any grade
7 at a rate higher than the maximum rate of the grade when
8 such higher rate is permitted by the Classification Act of
9 1923 as amended, and is specifically authorized by other law,
10 or (5) to reduce the compensation of any person in a grade
11 in which only one position is allocated.

12 Salaries and Expenses, Foreign Owned Property Control:
13 For expenditure under the direction of the Secretary of the
14 Treasury for any purpose in connection with the carrying out
15 of the provisions of section 5 (b) of the Act of October 6,
16 1917 (40 Stat. 411, 415), as amended, and any proclama-
17 tions, orders, or regulations that have been or may be issued
18 thereunder, including personal services (without regard to
19 classification laws), printing, and all other necessary
20 expenses incurred in carrying out instructions issued by
21 the Secretary of the Treasury pursuant to section 5 (b)
22 of the Act of October 6, 1917, as amended, or procla-
23 mations, orders, or regulations issued thereunder, including
24 reimbursement of any other appropriation or other funds of
25 the United States or any agency, instrumentality, territory.

1 or possession thereof, including the Philippine Islands, and
2 reimbursement of any Federal Reserve bank for printing and
3 other expenditures, \$1,250,000.

4 Payments to Federal land banks on account of reductions
5 in interest rate on mortgages: To enable the Secretary of
6 the Treasury to pay each Federal land bank such amount as
7 the Land Bank Commissioner certifies to the Secretary of
8 the Treasury is equal to the amount by which interest pay-
9 ments on mortgages held by such land bank have been re-
10 duced during the fiscal year 1942, and prior thereto, in
11 accordance with the provisions of paragraph "Twelfth" of
12 section 12 of the Federal Farm Loan Act (12 U. S. C.
13 771), as amended, \$26,800,000.

14 Payments to the Federal Farm Mortgage Corporation on
15 account of reductions in interest rate on mortgages: To enable
16 the Secretary of the Treasury to pay to the Federal Farm
17 Mortgage Corporation such amount as the Governor of the
18 Farm Credit Administration certifies to the Secretary of the
19 Treasury is equal to the amount by which interest payments
20 on mortgages held by such Corporation have been reduced
21 during the fiscal year 1942, and prior thereto, in accordance
22 with the provisions of section 32 of the Emergency Farm
23 Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C.
24 1016), as amended, such payments to be made quarterly,
25 beginning as soon as practicable after October 1, 1941,
26 \$9,600,000.

1 DIVISION OF RESEARCH AND STATISTICS

2 Salaries: For personal services in the District of
3 Columbia, \$218,000.

4 OFFICE OF GENERAL COUNSEL

5 Salaries: For the General Counsel and other personal
6 services in the District of Columbia, \$145,000.

7 DIVISION OF PERSONNEL

8 Salaries: For the Chief of the Division, and other per-
9 sonal services in the District of Columbia, \$125,000.

10 OFFICE OF CHIEF CLERK

11 Salaries: For the Chief Clerk and other personal services
12 in the District of Columbia, \$211,500.

13 MISCELLANEOUS AND CONTINGENT EXPENSES, TREASURY

14 DEPARTMENT

15 For miscellaneous and contingent expenses of the Office
16 of the Secretary and the bureaus and offices of the Depart-
17 ment, including operating expenses of the Treasury, Treasury
18 Annex, Auditors', and Liberty Loan Buildings; ~~newspaper~~
19 ~~clippings~~ financial journals, purchase (including exchange)
20 of books of reference and lawbooks, technical and scientific
21 books, newspapers, and periodicals, expenses incurred in
22 completing imperfect series, library cards, supplies, and all
23 other necessary expenses connected with the library; not
24 exceeding \$8,000 for traveling expenses, including the pay-
25 ment of actual transportation and subsistence expenses to

1 any person whom the Secretary of the Treasury may from
2 time to time invite to the city of Washington or elsewhere
3 for conference and advisory purposes in furthering the work
4 of the Department; freight, expressage, telegraph and tele-
5 phone service; purchase and exchange of motortrucks, and
6 maintenance and repair of motortrucks and three passenger
7 automobiles (one for the Secretary of the Treasury and two
8 for general use of the Department), all to be used for official
9 purposes only; file holders and cases; fuel, oils, grease, and
10 heating supplies and equipment; gas and electricity for
11 lighting, heating, and power purposes, including material,
12 fixtures, and equipment therefor; purchase, exchange, and
13 repair of typewriters and labor-saving machines and equip-
14 ment and supplies for same; floor covering and repairs
15 thereto, furniture and office equipment, including supplies
16 therefor and repairs thereto; awnings, window shades, and
17 fixtures; cleaning supplies and equipment; drafting equip-
18 ment; flags; hand trucks, ladders; miscellaneous hardware;
19 streetcar fares not exceeding \$750; thermometers; lavatory
20 equipment and supplies; tools and sharpening same; laundry
21 service; laboratory supplies and equipment, removal of rub-
22 bish; postage; and other absolutely necessary articles, sup-
23 plies, and equipment not otherwise provided for; \$333,000:
24 *Provided*, That the appropriations for the Bureau of the
25 Public Debt, Internal Revenue Service, United States Pro-

cessing Tax Board of Review, Procurement Division, and Division of Disbursement for the fiscal year 1942 are hereby made available for the payment of items otherwise properly chargeable to this appropriation, the provisions of section 6, Act of August 23, 1912 (31 U. S. C. 669), to the contrary notwithstanding.

CUSTODY OF TREASURY BUILDINGS

Salaries of operating force: For the Superintendent of Treasury Buildings and for other personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, and the Auditors' Building, \$353,604.

Salaries and expenses, guard force: For salaries and expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, including not to exceed \$9,875 for purchase, repair, and cleaning of uniforms, and for the purchase of arms and ammunition and miscellaneous equipment, \$406,900: *Provided*, That not to exceed \$80,000 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing." may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau:

1 *Provided further*, That the Secretary of the Treasury may
2 detail an agent of the Secret Service to supervise such force.

3 DIVISION OF PRINTING

4 Salaries: For the Chief, Division of Printing, and other
5 personal services in the District of Columbia, \$68,740.

6 Printing and binding: For printing and binding for the
7 Treasury Department, including all of its bureaus, offices,
8 institutions, and services located in Washington, District of
9 Columbia, and elsewhere, except the Bureau of Internal
10 Revenue, and including materials for the use of the book-
11 binder, located in the Treasury Department, but not including
12 work done at the New York Customhouse bindery authorized
13 by the Joint Committee on Printing in accordance with the
14 Act of March 1, 1919 (44 U. S. C. 111), and for the cost
15 of transportation to field offices of printed and bound material,
16 including cost of necessary packing boxes and packing
17 materials, \$538,300.

18 Stationery: For stationery for the Treasury Department
19 and its several bureaus and offices, and field services thereof,
20 including tags, labels, and index cards, printed in the course
21 of manufacturing, packing boxes and other materials neces-
22 sary for shipping stationery supplies, and cost of transporta-
23 tion of stationery supplies purchased free on board point of
24 shipment and of such supplies shipped from Washington to
25 field offices, \$704,800.

1

BUREAU OF ACCOUNTS

2

Salaries: For Commissioner of Accounts and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, \$442,500.

5

Division of Disbursement, salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, \$1,774,453: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for the Agricultural Adjustment Administration, Federal Housing Administration, United States Housing Authority, Federal Surplus Commodities Corporation, Federal Prison Industries, Railroad Retirement Board, United States Maritime Commission, the Federal Crop Insurance Corporation, the Commodity Credit Corporation, the Surplus Marketing Administration, and the National Youth Administration, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

21

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the

1 United States, transportation of gold coin, gold bullion, and
2 gold certificates transferred to Federal Reserve banks and
3 branches, United States mints and assay offices, and the
4 Treasury, after March 9, 1933, actual expenses of examiners
5 detailed to examine the books, accounts, and money on hand
6 at the several depositories, including national banks acting
7 as depositories under the requirements of section 3649 of the
8 Revised Statutes (31 U. S. C. 548), also including examina-
9 tions of cash accounts at mints, \$200,000.

10 Recoinage of minor coins: To enable the Secretary of
11 the Treasury to continue the recoinage of worn and uncur-
12 rent minor coins of the United States now in the Treasury
13 or hereafter received, and to reimburse the Treasurer of the
14 United States for the difference between the nominal or face
15 value of such coins and the amount the same will produce in
16 new coins, \$20,000.

17 Recoinage of silver coins: To enable the Secretary of the
18 Treasury to continue the recoinage of worn and uncurrent
19 subsidiary silver coins of the United States now in the
20 Treasury or hereafter received, and to reimburse the Treas-
21 urer of the United States for the difference between the
22 nominal or face value of such coins and the amount the same
23 will produce in new coins, \$425,000.

24 Relief of the indigent, Alaska: For the payment to the
25 United States district judges in Alaska but not to exceed

1 10 per centum of the receipts from licenses collected outside
 2 of incorporated towns in Alaska, to be expended for the
 3 relief of persons in Alaska who are indigent and incapac-
 4 itated through nonage, old age, sickness, or accident,
 5 \$30,000.

6 Refund of moneys erroneously received and covered:
 7 To enable the Secretary of the Treasury to meet any expendi-
 8 tures of the character formerly chargeable to the appropria-
 9 tion accounts abolished under section 18 of the Permanent
 10 Appropriation Repeal Act of 1934, approved June 26, 1934,
 11 and any other collections erroneously received and covered
 12 which are not properly chargeable to any other appropriation,
 13 \$35,000.

14 Payment of unclaimed moneys: To enable the Secretary
 15 of the Treasury to meet any expenditures of the character
 16 formerly chargeable to the appropriation accounts abolished
 17 under section 17 of the Permanent Appropriation Repeal
 18 Act of 1934, approved June 26, 1934, payable from the
 19 funds held by the United States in the trust fund receipt
 20 account "Unclaimed moneys of individuals whose where-
 21 abouts are unknown", \$15,000.

22 BUREAU OF THE PUBLIC DEBT

23 Salaries and expenses: For necessary expenses con-
 24 nected with the administration of any public-debt issues
 25 and United States paper-currency issues with which the

1 Secretary of the Treasury is charged, including the purchase
2 of lawbooks, directories, books of reference, pamphlets,
3 periodicals, and newspapers, and the maintenance, opera-
4 tion, and repair of a motor-propelled bus or station wagon
5 for use of the Destruction Committee, and including the
6 Commissioner of the Public Debt and other personal services
7 in the District of Columbia, \$2,374,450: *Provided*, That the
8 amount to be expended for personal services in the District
9 of Columbia shall not exceed \$2,345,500.

10 Distinctive paper for United States securities: For dis-
11 tinctive paper for United States currency, including transpor-
12 tation of paper, traveling, mill, and other necessary expenses,
13 and salaries of employees and allowance, in lieu of expenses,
14 of officer or officers detailed from the Treasury Department,
15 not exceeding \$50 per month each when actually on duty; in
16 all, \$1,114,000: *Provided*, That in order to foster competition
17 in the manufacture of distinctive paper for United States se-
18 curities, the Secretary of the Treasury is authorized, in his dis-
19 cretion, to split the award for such paper for the fiscal year
20 1942 between the two bidders whose prices per pound are
21 the lowest received after advertisement.

22 Expenses of loans: The indefinite appropriation "Ex-
23 penses of loans, Act of September 24, 1917, as amended
24 and extended" (31 U. S. C. 760, 761), shall not be used
25 during the fiscal year 1942 to supplement the appropriation

1 herein made for the current work of the Bureau of the Public
 2 Debt, and the amount obligated under such indefinite appro-
 3 priation during such fiscal year shall not exceed \$4,292,000:
 4 *Provided*, That the proviso in the Act of June 16, 1921 (31
 5 U. S. C. 761), limiting the availability of this appropriation
 6 for expenses of operations on account of any public debt issue
 7 to the close of the fiscal year next following the fiscal year in
 8 which such issue was made, shall not apply to savings bond
 9 transactions handled by the Federal Reserve banks for
 10 account of the Secretary of the Treasury.

11 OFFICE OF TREASURER OF THE UNITED STATES

12 Salaries: For Treasurer of the United States, Assistant
 13 Treasurer, and for other personal services in the District of
 14 Columbia, \$1,620,000.

15 Salaries (Reimbursable) : For personal services in the
 16 District of Columbia, in redeeming Federal Reserve notes,
 17 \$58,000, to be reimbursed by the Federal Reserve banks.

18 With the approval of the Director of the Bureau of the
 19 Budget, there may be transferred sums (not exceeding a total
 20 of \$700,000) to the appropriations, "Salaries, Office of
 21 Treasurer of the United States, 1942", "Contingent ex-
 22 penses, Treasury Department, 1942", "Printing and binding,
 23 Treasury Department, 1942", and "Stationery, Treasury
 24 Department, 1942", from funds available for the Agricul-
 25 tural Adjustment Administration, Home Owners' Loan Cor-

1 poration, Farm Credit Administration, Tennessee Valley
 2 Authority, Federal Farm Mortgage Corporation, Recon-
 3 struction Finance Corporation, Federal land banks and other
 4 banks and corporations under the supervision of the Farm
 5 Credit Administration, Railroad Retirement Board, Soil
 6 Conservation Service, including Soil Conservation and
 7 Domestic Allotment, National Youth Administration,
 8 Federal Housing Administration, United States Housing
 9 Authority, Civilian Conservation Corps, Public Works Ad-
 10 ministration, Commodity Credit Corporation, Rural Electrifi-
 11 cation Administration, and corporations and banks under the
 12 Federal Home Loan Bank Board to cover the expenses
 13 incurred on account of such respective activities in clearing
 14 of checks, servicing of bonds, handling of collections, and
 15 rendering of accounts therefor.

16 BUREAU OF CUSTOMS

17 Salaries and expenses: For collecting the revenue from
 18 customs, for the detection and prevention of frauds upon the
 19 customs revenue, and not to exceed \$100,000 for the secur-
 20 ing of evidence of violations of the customs laws; for expenses
 21 of transportation and transfer of customs receipts from points
 22 where there are no Government depositories; not to exceed
 23 \$84,500 for allowances for living quarters, including heat,
 24 fuel, and light, as authorized by the Act approved June 26,
 25 1930 (5 U. S. C. 118a), but not to exceed \$1,700 for any

1 one person; not to exceed \$500 for subscriptions to news-
2 papers; not to exceed \$2,000 for improving, repairing, main-
3 taining, or preserving buildings, inspection stations, office
4 quarters, including living quarters for officers, sheds, and
5 sites along the Canadian and Mexican borders acquired under
6 authority of the Act of June 26, 1930 (19 U. S. C. 68);
7 and including the purchase (not to exceed \$87,500),
8 exchange, maintenance, repair, and operation of motor-pro-
9 pelled passenger-carrying vehicles when necessary for official
10 use in field work; \$21,050,000, of which such amount as may
11 be necessary shall be available for the payment of extra com-
12 pensation earned by customs officers or employees for over-
13 time services, at the expense of the parties in interest, in
14 accordance with the provisions of section 5 of the Act
15 approved February 13, 1911, as amended by the Act ap-
16 proved February 7, 1920, and section 451 of the Tariff Act,
17 1930, as amended (19 U. S. C. 261, 267, and 1451): *Pro-*
18 *vided*, That the receipts from such parties in interest for such
19 overtime services shall be deposited as a refund to the appro-
20 priation from which such overtime compensation is paid, in
21 accordance with the provisions of section 524 of the Tariff
22 Act of 1930, as amended (19 U. S. C. 1524); for the cost
23 of seizure, storage, and disposition of any merchandise, vehi-
24 cle and team, automobile, boat, air or water craft, or any
25 other conveyance seized under the provisions of the customs

1 laws, for the purchase of arms, ammunition, and accessories,
2 and \$570,000 shall be available for personal services in
3 the District of Columbia exclusive of ten persons from the
4 field force authorized to be detailed under section 525 of
5 the Tariff Act of 1930: *Provided*, That no part of this
6 appropriation shall be expended for maintenance or repair of
7 motor-propelled passenger-carrying vehicles for use in the
8 District of Columbia except two for use in connection with
9 the work of the customhouse in Georgetown.

10 Refunds and drawbacks: For the refund or payment of
11 customs collections or receipts, and for the payment of de-
12 bentures or drawbacks, bounties, and allowances, as author-
13 ized by law, \$19,000,000.

14 OFFICE OF THE COMPTROLLER OF THE CURRENCY

15 Salaries: Comptroller of the Currency and other personal
16 services in the District of Columbia, \$244,180.

17 BUREAU OF INTERNAL REVENUE

18 Salaries and expenses: For salaries and expenses in con-
19 nection with the assessment and collection of internal-reve-
20 nue taxes and the administration of the internal-revenue laws,
21 including the administration of such provisions of other laws
22 as are authorized by or pursuant to law to be administered
23 by or under the direction of the Commissioner of Internal
24 Revenue, including one stamp agent (to be reimbursed by
25 the stamp manufacturers) and the employment of experts;

1 the securing of evidence of violations of the Acts, the cost
2 of chemical analyses made by others than employees of the
3 United States and expenses incident to such chemists testify-
4 ing when necessary; transfer of household goods and effects
5 as provided by Act of October 10, 1940 (Public, Numbered
6 839), and regulations promulgated thereunder; telegraph
7 and telephone service, postage, freight, express, necessary
8 expenses incurred in making investigations in connection with
9 the enrollment or disbarment of practitioners before the
10 Treasury Department in internal-revenue matters, expenses
11 of seizure and sale, and other necessary miscellaneous ex-
12 penses, including stenographic reporting services; for the
13 acquisition of property under the provisions of title III of
14 the Liquor Law Repeal and Enforcement Act, approved
15 August 27, 1935 (49 Stat. 872-881), and the operation,
16 maintenance, and repair of property acquired under such
17 title III; for the purchase (not to exceed \$25,000), ex-
18 change, hire, maintenance, repair, and operation of motor-
19 propelled or horse-drawn passenger-carrying vehicles when
20 necessary, for official use of the Alcohol Tax and Intelligence
21 Units in field work; printing and binding (not to exceed
22 \$689,850); and the procurement of such supplies, equipment,
23 furniture, mechanical devices, laboratory supplies, periodicals
24 and newspapers for the Alcohol Tax Unit, ammunition, law-
25 books and books of reference, and such other articles as

1 may be necessary, \$71,512,000, of which amount not to
2 exceed \$9,731,155 may be expended for personal services
3 in the District of Columbia: *Provided*, That no part of this
4 amount shall be used in defraying the expenses of any officer
5 or employee designated above, subpoenaed by the United
6 States court to attend any trial before a United States court
7 or preliminary examination before any United States Com-
8 missioner, which expenses shall be paid from the appropria-
9 tion for "Fees of witnesses, Department of Justice":
10 *Provided further*, That not more than \$100,000 of the total
11 amount appropriated herein may be expended by the Com-
12 missioner of Internal Revenue for detecting and bringing to
13 trial persons guilty of violating the internal-revenue laws or
14 conniving at the same, including payments for information
15 and detection of such violation.

16 Salaries and expenses for refunding processing and re-
17 lated taxes and administering title III, Revenue Act of 1936:
18 For salaries and expenses in connection with (1) the assess-
19 ment and collection of the tax on unjust enrichment imposed
20 by title III, Revenue Act of 1936, (2) the making of refunds
21 and payments of processing and related taxes, as authorized
22 by titles IV and VII of the Revenue Act of 1936, as
23 amended, and (3) the refund of taxes collected under the
24 Cotton Act of April 21, 1934, as amended (48 Stat. 598),
25 the Tobacco Act of June 28, 1934, as amended (48 Stat.

1 1275), and the Potato Act of August 24, 1935 (49 Stat.
2 782), as authorized by the Second Deficiency Appropriation
3 Act, fiscal year 1938, as amended, including personal serv-
4 ices in the District of Columbia and elsewhere, the hiring of
5 experts, stationery and office supplies, equipment, furniture,
6 mechanical devices, lawbooks and books of reference, trade
7 journals, stenographic reporting service, telegraph and tele-
8 phone services, postage, freight, express, printing and bind-
9 ing, notarial fees, travel expenses, fees of expert witnesses,
10 and fees and mileage of witnesses, which shall be the same
11 as are paid witnesses in the courts of the United States and
12 may be paid in advance upon certification of such officer as
13 the Commissioner of Internal Revenue or the Secretary of
14 the Treasury may designate, \$1,100,000, of which amount
15 not to exceed \$875,000 may be expended for personal serv-
16 ices in the District of Columbia.

17 Refunds and payments of processing and related taxes:
18 For refunds and payments of processing and related taxes as
19 authorized by titles IV and VII, Revenue Act of 1936, as
20 amended; for refunds of taxes collected (including penalties
21 and interest) under the Cotton Act of April 21, 1934, as
22 amended (48 Stat. 598), the Tobacco Act of June 28, 1934,
23 as amended (48 Stat. 1275), and the Potato Act of August
24 24, 1935 (49 Stat. 782), in accordance with the Second
25 Deficiency Appropriation Act, fiscal year 1938 (52 Stat.

1 1150), as amended, and as otherwise authorized by law; and
2 for redemption of tax stamps purchased under the aforesaid
3 Tobacco and Potato Acts, there is hereby continued available
4 during the fiscal year 1942, the unexpended balance of
5 the funds made available to the Treasury Department for
6 these purposes for the fiscal year 1941 by the Treasury
7 Department Appropriation Act, 1941.

8 Additional income tax on railroads in Alaska: For
9 the payment to the Treasurer of Alaska of an amount equal
10 to the tax of 1 per centum collected on the gross annual
11 income of all railroad corporations doing business in Alaska,
12 on business done in Alaska, which tax is in addition to the
13 normal income tax collected from such corporations on net
14 income, and the amount of such additional tax to be appli-
15 cable to general Territorial purposes, \$6,350.

16 Refunding internal-revenue collections: For refunding
17 internal-revenue collections, as provided by law, including
18 the payment of claims for the prior fiscal years and payment
19 of accounts arising under "Allowance or draw-back (Internal
20 Revenue)", "Redemption of stamps (Internal Revenue)",
21 "Refunding legacy taxes, Act of March 30, 1928", and
22 "Repayment of taxes on distilled spirits destroyed by casu-
23 alty", \$63,000,000: *Provided*, That a report shall be made
24 to Congress by internal-revenue districts and alphabetically
25 arranged of all disbursements hereunder in excess of \$500 as

1 required by section 3 of the Act of May 29, 1928 (sec.
2 3776, I. R. C.), including the names of all persons and
3 corporations to whom such payments are made, together
4 with the amount paid to each.

5 UNITED STATES PROCESSING TAX BOARD OF REVIEW

6 Salaries and expenses: For salaries and expenses of not
7 to exceed seven members of the Board of Review established
8 by section 906 of the Revenue Act of 1936 for review of
9 the disallowance by the Commissioner of Internal Revenue
10 of claims for refund of processing taxes filed under title VII,
11 Revenue Act of 1936, as amended, including personal
12 services in the District of Columbia and elsewhere, stationery
13 and office supplies, equipment, furniture, mechanical devices,
14 law books and books of reference, press releases, trade
15 journals, periodicals and newspapers, contract reporting
16 services, telegraph and telephone services, postage, freight,
17 express, printing and binding, notarial fees, travel expenses,
18 and such other miscellaneous expenses as may be authorized
19 or approved by the Secretary of the Treasury for the work
20 of this Board, \$110,000.

21 BUREAU OF NARCOTICS

22 Salaries and expenses: For expenses to enforce the Act
23 of December 17, 1914 (26 U. S. C. 1383-1391), as
24 amended by the Revenue Act of 1918 (26 U. S. C. 1040-
25 1064), the Narcotic Drugs Import and Export Act, as

1 amended (21 U. S. C. 171-184), and the Marihuana Tax
2 Act of 1937 (26 U. S. C. 1399-1399q) ; pursuant to the Act
3 of March 3, 1927 (5 U. S. C. 281c), and the Act of June
4 14, 1930 (5 U. S. C. 282-282c), including the employment
5 of executive officers, attorneys, agents, inspectors, chemists,
6 supervisors, clerks, messengers, and other necessary em-
7 ployees in the field and in the Bureau of Narcotics in the
8 District of Columbia, to be appointed as authorized by law;
9 the securing of information and evidence of violations of the
10 Acts; the costs of chemical analyses made by others than
11 employees of the United States; transfer of household goods
12 and effects as provided by the Act of October 10, 1940
13 (Public, Numbered 839), and regulations promulgated there-
14 under; the purchase of such supplies, equipment, mechanical
15 devices, books, and such other expenditures as may be neces-
16 sary in the several field offices; cost incurred by officers and
17 employees of the Bureau of Narcotics in the seizure, storage,
18 and disposition of property under the internal-revenue laws
19 when the same is disposed of under section 3460, Revised
20 Statutes (26 U. S. C. 1624) ; purchase (not to exceed
21 \$10,000), exchange, hire, maintenance, repair, and opera-
22 tion of motor-propelled or horse-drawn passenger-carrying
23 vehicles when necessary for official use in field work; pur-
24 chase of arms and ammunition; in all, \$1,278,475, of which
25 amount not to exceed \$190,000 may be expended for per-

1 sonal services in the District of Columbia: *Provided*, That the
2 Secretary of the Treasury may authorize the use by narcotic
3 agents of motor vehicles confiscated under the provisions of
4 the Act of August 27, 1935 (27 U. S. C. 157), and the
5 Act of August 9, 1939 (49 U. S. C., Supp. V, 781-788),
6 and to pay the cost of acquisition, maintenance, repair,
7 and operation thereof: *Provided further*, That not exceeding
8 \$10,000 may be expended for the collection and dissemina-
9 tion of information and appeal for law observance and law
10 enforcement, including cost of printing, purchase of news-
11 papers, and other necessary expenses in connection therewith
12 and not exceeding \$1,500 for attendance at meetings con-
13 cerned with the work of the Bureau of Narcotics: *Provided*
14 *further*, That not exceeding \$10,000 may be expended for
15 services or information looking toward the apprehension of
16 narcotic law violators who are fugitives from justice: *Pro-*
17 *vided further*, That moneys expended from this appropriation
18 for the purchase of narcotics including marihuana, and subse-
19 quently recovered shall be reimbursed to the appropriation
20 for enforcement of the narcotic Acts current at the time of
21 the deposit.

22 COAST GUARD

23 Office of Commandant: For personal services in the Dis-
24 trict of Columbia, \$765,000: *Provided*, That no part of any
25 appropriation contained in this Act shall be used to pay

1 any enlisted man of the Coast Guard while detailed for
2 duty at Coast Guard headquarters if such detail increases the
3 total number of enlisted men detailed on such duty at any
4 time above fourteen;

5 Pay and allowances: For pay and allowances prescribed
6 by law for commissioned officers, cadets, warrant officers,
7 petty officers, and other enlisted men, active and retired, tem-
8 porary cooks, surfmen, substitute surfmen, and three civilian
9 instructors, retired pay for certain members of the former
10 Life Saving Service authorized by the Act approved April
11 14, 1930 (14 U. S. C. 178a), and not exceeding \$10,000
12 for cash prizes for men for excellence in boatmanship, gun-
13 nery, target practice, and engineering competitions; for car-
14 rying out the provisions of the Act of June 4, 1920 (34
15 U. S. C. 943); not to exceed \$15,000 for cost of special
16 instruction, including books, laboratory equipment and fees,
17 school supplies, and maintenance of students; rations or
18 commutation thereof for cadets, petty officers, and other
19 enlisted men, mileage and expenses allowed by law for
20 officers; and traveling expenses of other persons traveling on
21 duty under orders from the Treasury Department, including
22 transportation of cadets, enlisted men, and applicants for en-
23 listment, with subsistence and transfers en route, or cash in
24 lieu thereof, and traveling expenses for the examinations
25 authorized by the Act entitled "An Act to provide for retire-

1 ment for disability in the Lighthouse Service", approved
2 March 4, 1925 (33 U. S. C. 765) ; expenses of recruiting
3 for the Coast Guard, rent of rendezvous, and expenses of
4 maintaining the same; advertising for and obtaining men
5 and apprentice seamen and applicants for appointment as
6 cadets; in-service training of enlisted men including cost of
7 textbooks, necessary school supplies, and correspondence
8 courses; transportation and packing allowances for baggage
9 or household effects of commissioned officers, warrant officers,
10 and enlisted men; and including not to exceed \$46,720 for
11 the recreation, amusement, comfort, contentment, and health
12 of the enlisted men of the Coast Guard, to be expended in
13 the discretion of the Secretary of the Treasury; \$32,680,000:
14 *Provided*, That no part of this appropriation shall be used
15 for increased pay at a rate in excess of \$1,440 per annum
16 to any nonflying commissioned officer or commissioned officer
17 observer for making aerial flights; which rate shall be the
18 legal maximum rate of such increased pay as to any such
19 officer: *Provided further*, That money accruing from com-
20 mutation of rations of enlisted men commuted for the benefit
21 of any mess may be paid on proper voucher to the officer
22 in charge of such mess;

23 General expenses, Coast Guard: For fuel, lubricating
24 oil, illuminants, kerosene, and water; the furnishing of heat,
25 light, and power (service) for vessels, shore stations, depots.

1 and offices; outfits, including necessary supplies and equip-
2 ment, medals, newspapers, technical books and periodicals,
3 and library books for shore stations and vessels; rental of
4 mechanical accounting machinery and other equipment;
5 repairs to portable equipment at shore units; ship chandlery,
6 engineers' stores, draft animals and their maintenance; pur-
7 chase (not to exceed \$25,000), exchange, maintenance,
8 operation, and repair of motor-propelled passenger-carry-
9 ing vehicles for official use at headquarters and in the
10 field; the rebuilding, repairing, maintenance, and incidental
11 expenses of shore stations, including lighthouses, lights,
12 beacons, and other fixed aids to navigation, radio stations,
13 depots, and offices; temporary leases and rentals; improve-
14 ment of property for Coast Guard purposes, including rental
15 or use of additional land where necessary and the purchase
16 of land for beacons, day marks, and fog signals; not to exceed
17 \$191,000 for completion of construction of the station
18 authorized by the Act approved June 29, 1936 (49 Stat.
19 2031); repairs to Coast Guard vessels, boats, and air-
20 craft, including cost of salvage operations when inci-
21 dent to such repairs; repair, maintenance, and operation
22 of vessels forfeited to the United States and delivered to
23 the Treasury Department under the terms of the Act ap-
24 proved March 3, 1925 (27 U. S. C. 41); coastal communi-
25 cation lines and facilities and their maintenance, and commun-

1 igation service; establishment, maintenance, repair, and im-
2 provement of post lights, buoys, submarine signals, fog signals,
3 beacons, day marks, and other aids to navigation; construction
4 of necessary outbuildings, including oil houses at light stations,
5 at a cost not exceeding \$2,500 at any one light station in any
6 fiscal year; wages of persons attending post lights; temporary
7 employees and field force, including professional, technical,
8 and clerical employees, while engaged on works of general
9 repair and maintenance, and laborers and mechanics at light-
10 house depots; rations and provisions, or commutation thereof,
11 for working parties in the field, officers and crews of light
12 vessels and tenders, and officials and other authorized persons
13 of the Coast Guard on duty on board of such tenders or
14 vessels, but money accruing from commutation of rations
15 and provisions for the above-named persons on board tenders
16 and light vessels or in working parties in the field may be
17 paid on proper voucher to the person having charge of the
18 mess of such vessel or party; transfer of household goods and
19 effects as provided by the Act of October 10, 1940 (Public,
20 Numbered 839), and regulations promulgated thereunder;
21 purchase of rubber boots, oilskins, rubber gloves, goggles,
22 and coats, caps, and aprons for steward's department on
23 vessels; fuel, light, and rent of quarters where necessary for
24 keepers of lighthouses; traveling expenses of teachers while
25 actually employed by States or private persons to instruct

1 the children of keepers of lighthouses; not to exceed \$1,500
2 for traveling expenses of new appointees from ports of em-
3 barkation in the United States to first post of duty at isolated
4 light stations in districts outside the continental limits of the
5 United States, and not to exceed \$2,500 for the transporta-
6 tion of the children of lighthouse keepers at isolated light
7 stations where necessary to enable such children to attend
8 school, as authorized by the Act of May 13, 1938 (33
9 U. S. C. 748a) ; necessary traveling expenses of lighthouse
10 keepers at isolated stations incurred in obtaining medical
11 attention as authorized by the Act of February 25, 1929
12 (33 U. S. C. 747b) ; purchase of provisions for sale to
13 Coast Guard personnel at isolated stations, and the appro-
14 priation reimbursed; contingent expenses, including subsist-
15 ence and clothing for shipwrecked and destitute persons
16 succored by the Coast Guard, and including reimbursement,
17 under rules prescribed by the Secretary of the Treasury,
18 of Coast Guard personnel who furnish from their personal
19 stock subsistence and clothing to such persons; subsistence
20 of prisoners while in the custody of the Coast Guard;
21 instruments, apparatus, and services necessary to the car-
22 rying on of scientific investigation, and not to exceed \$4,000
23 for experimental and research work; motion-picture equip-
24 ment (not to exceed \$30,000) and material for official
25 purposes; care, transportation, and burial of deceased officers

1 and enlisted men, including those who die in Government
2 hospitals, and civilian employees, in accordance with the
3 provisions of section 11, Act of June 6, 1940 (54 Stat. 248) ;
4 apprehension of deserters ; wharfage, towage, freight, storage,
5 advertising, surveys, entrance fees in matches for the rifle
6 team and special equipment therefor ; not to exceed \$2,500
7 for contingencies for the Superintendent, United States Coast
8 Guard Academy, to be expended in his discretion ; payment
9 of rewards for the apprehension and conviction, or for infor-
10 mation helpful to the apprehension and conviction, of persons
11 found interfering, in violation of section 6 of the Act of
12 May 14, 1908 (33 U. S. C. 761), with aids to navigation
13 maintained by the Coast Guard ; and all other necessary
14 expenses which are not included under any other heading ;
15 \$13,974,150, of which \$2,026,000 shall be available
16 immediately ;

17 Civilian employees, Coast Guard : For compensation of
18 civilian employees in the field, including per diem labor,
19 but excluding personnel provided for in the appropriation
20 "General Expenses, Coast Guard", \$3,500,000 ;

21 Airplanes : For replacement and additional airplanes
22 and their equipment, including radio and ordnance equip-
23 ment, spare parts, and accessories, to be constructed or
24 purchased in the discretion of the Secretary of the Treasury,
25 \$663,000, to remain available until June 30, 1943 ;

1 Construction of vessels and shore facilities: For addi-
2 tional and replacement vessels and their equipment, and the
3 construction, rebuilding, or extension of shore facilities,
4 including the acquisition of sites therefor, \$8,444,000
5 \$11,111,000, to be immediately available and to remain
6 available until expended, of which amount not to exceed four
7 per centum shall be available for administrative expenses in
8 connection therewith, including personal services in the Dis-
9 trict of Columbia, and of which amount \$5,000,000 is for the
10 construction and equipment of three large cutters within a
11 total limit of cost of \$11,370,000 and the Secretary of the
12 Treasury is authorized to enter into contracts during the
13 fiscal years 1941 and 1942 for their construction and equip-
14 ment within such limit;

15 Establishing and improving aids to navigation: For
16 establishing and improving aids to navigation and other
17 works, \$1,500,000, which sum shall be available for all ex-
18 penditures directly relating to the respective projects and
19 of which \$950,000 shall be immediately available;

20 Retired pay, former Lighthouse Service, Coast Guard:
21 For retired pay of certain officers and employees entitled
22 thereto by virtue of former employment in the Lighthouse
23 Service engaged in the field service or on vessels of the Coast
24 Guard, except persons continuously employed in district
25 offices and shops, \$1,000,000;

1 No part of the appropriations contained in this Act
 2 under the Coast Guard, nor of any appropriation heretofore
 3 made, shall be used for the construction for the Coast Guard
 4 of any new permanent aviation shore station or for the perma-
 5 nent enlargement of the capacity of any existing aviation
 6 shore station, but this limitation shall not apply to expendi-
 7 tures for completion of construction for which funds were
 8 made available by the Second Deficiency Appropriation Act,
 9 fiscal year 1938, or by the First Deficiency Appropriation
 10 Act, fiscal year 1940;

11 Wherever during the fiscal year 1942, civilian em-
 12 ployees of the Coast Guard are replaced by military per-
 13 sonnel, as provided in the Act of August 5, 1939 (53 Stat.
 14 1216), funds for the pay and allowances of such military per-
 15 sonnel may be transferred, with the approval of the Director
 16 of the Bureau of the Budget, from the appropriation or appro-
 17 priations which provide for the pay of such civilian personnel
 18 to the appropriation "Pay and Allowances, Coast Guard";

19 Total, Coast Guard, ~~\$62,193,150~~ \$65,193,150.

20 BUREAU OF ENGRAVING AND PRINTING

21 For the work of engraving and printing, exclusive of
 22 repay work, during the fiscal year 1942, United States
 23 currency and internal-revenue stamps, including opium
 24 orders and special-tax stamps required under the Act of

1 December 17, 1914 (26 U. S. C. 1040, 1383), checks,
2 drafts, and miscellaneous work, as follows:

3 Salaries and expenses: For the Director, two Assistant
4 Directors, and other personal services in the District of Co-
5 lumbia, including wages of rotary press plate printers at per
6 diem rates and all other plate printers at piece rates to be
7 fixed by the Secretary of the Treasury, not to exceed the
8 rates usually paid for such work; for engravers' and printers'
9 materials and other materials, including distinctive and non-
10 distinctive paper, except distinctive paper for United States
11 currency and Federal Reserve bank currency; equipment of,
12 repairs to, and maintenance of buildings and grounds and for
13 minor alterations to buildings; directories, technical books
14 and periodicals, examples of engraving and printing, includ-
15 ing foreign securities and stamps, and books of reference; not
16 exceeding \$500; traveling expenses not to exceed \$2,000;
17 miscellaneous expenses, including not to exceed \$1,500 for
18 articles approved by the Secretary of the Treasury as being
19 necessary for the protection of the person of employees; for
20 transfer to the Bureau of Standards for scientific investiga-
21 tions in connection with the work of the Bureau of Engraving
22 and Printing, not to exceed \$15,000; and for the mainte-
23 nance and driving of two motor-propelled passenger-carrying
24 vehicles; \$10,000,000, to be expended under the direction
25 of the Secretary of the Treasury.

10 Salaries: For the Chief of the Division and other per-
11 sonal services in the District of Columbia, \$69,543.

12 Suppressing counterfeiting and other crimes: For sala-
13 ries and other expenses under the authority or with the
14 approval of the Secretary of the Treasury in detecting,
15 arresting, and delivering into the custody of the United
16 States marshal or other officer having jurisdiction, dealers
17 and pretended dealers in counterfeit money, persons engaged
18 in counterfeiting, forging, and altering United States notes,
19 bonds, national-bank notes, Federal Reserve notes, Federal
20 Reserve bank notes, and other obligations and securities of
21 the United States and of foreign governments (including
22 endorsements thereon and assignments thereof), as well as
23 the coins of the United States and of foreign governments,

1 and persons committing other crimes against the laws of the
2 United States relating to the Treasury Department and the
3 several branches of the public service under its control; pur-
4 chase (not to exceed \$15,000), exchange, hire, maintenance,
5 repair, and operation of motor-propelled passenger-carrying
6 vehicles when necessary; purchase of arms and ammunition;
7 traveling expenses; transfer of household goods and effects
8 as provided by the Act of October 10, 1940 (Public, Num-
9 bered 839), and regulations promulgated thereunder; and for
10 no other purpose whatsoever, except in the performance of
11 other duties specifically authorized by law, and in the
12 protection of the person of the President and the members
13 of his immediate family and of the person chosen to be Presi-
14 dent of the United States, \$1,009,000: *Provided*, That no
15 part of the amount herein appropriated shall be used in de-
16 fraying the expenses of any person subpoenaed by the United
17 States courts to attend any trial before a United States court
18 or preliminary examination before any United States commis-
19 sioner, which expenses shall be paid from the appropriation
20 for "Fees of witnesses, Department of Justice": *Provided*
21 *further*, That of the amount herein appropriated not to
22 exceed \$15,000 may be expended in the discretion of the
23 Secretary of the Treasury for the purpose of securing informa-
24 tion concerning violations of the laws relating to the Treasury

1 Department, and for services or information looking toward
2 the apprehension of criminals.

3 White House Police: For one captain, two lieutenants,
4 four sergeants, and seventy-three privates, at rates of pay
5 provided by law; in all, \$195,900.

6 For uniforming and equipping the White House Police,
7 including the purchase, issue, and repair of revolvers, and
8 the purchase and issue of ammunition and miscellaneous
9 supplies, to be procured in such manner as the President in
10 his discretion may determine, \$6,500.

11 BUREAU OF THE MINT

12 OFFICE OF DIRECTOR OF THE MINT

13 Salaries: For the Director of the Mint and other per-
14 sonal services in the District of Columbia, \$119,540.

15 Transportation of bullion and coin: For transportation
16 of bullion and coin, by registered mail or otherwise, between
17 mints, assay offices, and bullion depositories, \$187,500, in-
18 cluding compensation of temporary employees and other
19 necessary expenses incident thereto.

20 Contingent expenses and examination of mints: For
21 assay laboratory chemicals, fuel, materials, balances, weights,
22 and other necessities, including books, periodicals, specimens
23 of coins, ores, and incidentals, and for examination of mints,
24 expense in visiting mints for the purpose of superintending

1 the annual settlements, and for special examinations and for
2 the collection of statistics relative to the annual production
3 and consumption of the precious metals in the United States,
4 \$14,300.

5 Salaries and expenses, mints and assay offices: For com-
6 pensation of officers and employees of the mints at Phila-
7 delphia, Pennsylvania, San Francisco, California, Denver,
8 Colorado, and New Orleans, Louisiana, the assay offices at
9 New York, New York, and Seattle, Washington, and the
10 bullion depositories at Fort Knox, Kentucky, and West
11 Point, New York, including necessary personal services for
12 carrying out the provisions of the Gold Reserve Act of 1934
13 and the Silver Purchase Act of 1934, and any Executive
14 orders, proclamations and regulations issued thereunder, and
15 for incidental and contingent expenses, including traveling
16 expenses, new machinery, and repairs, arms, and ammuni-
17 tion, purchase and maintenance of uniforms and accessories
18 for guards, protective devices, and their maintenance, training
19 of employees in use of firearms and protective devices, pur-
20 chase (not exceeding \$1,700) and exchange of a motorbus,
21 maintenance, repair, and operation of two motorbuses for
22 use at the Fort Knox Bullion Depository, cases and enamel-
23 ing for medals manufactured, net wastage in melting and
24 refining and in coining departments, loss on sale of sweeps
25 arising from the treatment of bullion and the manufacture of

1 coins, not to exceed \$500 for the expenses of the annual
2 assay commission, and not exceeding \$1,000 for the acqui-
3 sition, at the dollar face amount or otherwise, of specimen
4 and rare coins, including United States and foreign gold coins
5 and pieces of gold used as, or in lieu of, money, and ores, for
6 addition to the Government's collection of such coins, pieces,
7 and ores; \$3,191,500.

8

PROCUREMENT DIVISION

9 Salaries and expenses: For the Director of Procurement
10 and other personal services in the District of Columbia and
11 in the field service, and for miscellaneous expenses, including
12 office supplies and materials, purchase and exchange of
13 motortrucks and maintenance thereof, telegrams, telephone
14 service, traveling expenses, office equipment, fuel, light,
15 electric current, and other expenses for carrying into effect
16 regulations governing the procurement, warehousing, and
17 distribution by the Procurement Division of the Treasury
18 Department of property, equipment, stores, and supplies in
19 the District of Columbia and in the field (including not to
20 exceed \$500 to settle claims for damages caused to private
21 property by motor vehicles used by the Procurement Divi-
22 sion), \$889,000: *Provided*, That the Secretary of the
23 Treasury is authorized and directed during the fiscal year
24 1942 to transfer to this appropriation from any appro-
25 priations or funds available to the several departments

1 and establishments of the Government for the fiscal year
2 1942 such amounts as may be approved by the Director
3 of the Bureau of the Budget, not to exceed the sum
4 of (a) the amount of the annual compensation of em-
5 ployees who may be transferred or detailed to the Procure-
6 ment Division, respectively, from any such department or
7 establishment, where the transfer or detail of such employees
8 is incident to a transfer of a function or functions to that
9 Division and (b) such amount as the Director of the Bureau
10 of the Budget may determine to be necessary for expenses
11 other than personal services incident to the proper carrying
12 out of functions so transferred: *Provided further*, That
13 payments during the fiscal year 1942 to the general
14 supply fund for materials, and supplies (including fuel),
15 and services, and overhead expenses for all issues shall be
16 made on the books of the Treasury Department by transfer
17 and counterwarrants prepared by the Procurement Division
18 of the Treasury Department and countersigned by the Comp-
19 troller General, such warrants to be based solely on itemized
20 invoices prepared by the Procurement Division at issue
21 prices to be fixed by the Director of Procurement: *Provided*
22 *further*, That advances received pursuant to law (31 U. S. C.
23 686) from departments and establishments of the United
24 States Government and the government of the District of

1 Columbia during the fiscal year 1942 shall be credited
2 to the general supply fund: *Provided further*, That not
3 to exceed \$1,000,000 shall be available from the general
4 supply fund during the fiscal year 1942 for personal services:
5 *Provided further*, That the term "fuel" shall be held
6 to include "fuel oil": *Provided further*, That the re-
7 quirements of sections 3711 and 3713 of the Revised
8 Statutes (40 U. S. C. 109) relative to the weighing of coal
9 and wood and the separate certificate as to the weight,
10 measurement, or quantity of coal and wood purchased shall
11 not apply to purchases by the Procurement Division at free-
12 on-board destination outside of the District of Columbia:
13 *Provided further*, That the reconditioning and repair of sur-
14 plus property and equipment, for disposition or reissue to
15 Government service, may be made at cost by the Procure-
16 ment Division, payment therefor to be effected by charging
17 the proper appropriation and crediting the appropriation
18 "Salaries and expenses, Procurement Division".

19 Repairs to typewriting machines (except bookkeeping
20 and billing machines) in the Government service in the Dis-
21 trict of Columbia may be made at cost by the Procurement
22 Division, payment therefor to be effected by charging the
23 proper appropriation and crediting the appropriation
24 "Salaries and expenses, Procurement Division".

1 No part of any money appropriated by this or any other
2 Act shall be used during the fiscal year 1942 for the purchase
3 of any standard typewriting machines (except bookkeeping,
4 billing, and electric machines) at a price in excess of the
5 following for models with carriages which will accommodate
6 paper of the following widths, to wit: Ten inches (cor-
7 respondence models), \$70; twelve inches, \$75; fourteen
8 inches, \$77.50; sixteen inches, \$82.50; eighteen inches,
9 \$87.50; twenty inches, \$94; twenty-two inches, \$95;
10 twenty-four inches, \$97.50; twenty-six inches, \$103.50;
11 twenty-eight inches, \$104; thirty inches, \$105; thirty-two
12 inches, \$107.50; or, for standard typewriting machines dis-
13 tinctively quiet in operation, the maximum prices shall be as
14 follows for models with carriages which will accommodate
15 paper of the following widths, to wit: Ten inches, \$80;
16 twelve inches, \$85; fourteen inches, \$90; eighteen inches,
17 \$95.

18 This title may be cited as the "Treasury Department
19 Appropriation Act 1942".

20 TITLE II—POST OFFICE DEPARTMENT

21 The following sums are appropriated in conformity with
22 the Act of July 2, 1836 (5 U. S. C. 380, 39 U. S. C. 786),
23 for the Post Office Department for the fiscal year ending
24 June 30, 1942, namely:

1 POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF
2 COLUMBIA

3 OFFICE OF THE POSTMASTER GENERAL

4 Salaries: For the Postmaster General and other per-
5 sonal services in the office of the Postmaster General in
6 the District of Columbia, \$226,904.

7 SALARIES IN BUREAUS AND OFFICES

8 For personal services in the District of Columbia in
9 bureaus and offices of the Post Office Department in not to
10 exceed the following amounts, respectively:

11 Office of the First Assistant Postmaster General.
12 \$391,420.

13 Office of the Second Assistant Postmaster General.
14 \$587,600.

15 Office of the Third Assistant Postmaster General,
16 ~~\$791,060~~ \$798,560.

17 Office of the Fourth Assistant Postmaster General,
18 \$474,240.

19 Office of the Solicitor for the Post Office Department,
20 \$115,500.

21 Office of the chief inspector, \$240,910.

22 Office of the purchasing agent, \$47,240.

23 Bureau of Accounts, \$114,120.

1 CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

2 For contingent and miscellaneous expenses; stationery
3 and blank books, index and guide cards, folders and binding
4 devices, including purchase of free penalty envelopes; tele-
5 graph and telephone service, furniture and filing cabinets
6 and repairs thereto; purchase, exchange, maintenance, and
7 repair of tools, electrical supplies, typewriters, adding ma-
8 chines, and other labor-saving devices; purchase (including
9 exchange) of one motor-propelled passenger-carrying vehicle,
10 and for maintenance of motortrucks and of two motor-driven
11 passenger-carrying vehicles, to be used only for official pur-
12 poses (one for the Postmaster General and one for the gen-
13 eral use of the Department); streetcar fares; floor cover-
14 ings; postage stamps for correspondence addressed abroad,
15 which is not exempt under article 49 of the Buenos
16 Aires convention of the Universal Postal Union; purchase
17 and exchange of lawbooks, books of reference, railway guides,
18 city directories, and books necessary to conduct the business
19 of the Department; newspapers, not exceeding \$200; ex-
20 penses, except membership fees, of attendance at meetings or
21 conventions concerned with postal affairs, when incurred on
22 the written authority of the Postmaster General, not exceed-
23 ing \$2,000; expenses of the purchasing agent and of the
24 Solicitor and attorneys connected with his office while travel-

1 ing on business of the Department, not exceeding \$800; and
2 other expenses not otherwise provided for; \$89,796.

3 For printing and binding for the Post Office Depart-
4 ment, including all of its bureaus, offices, institutions, and
5 services located in Washington, District of Columbia, and
6 elsewhere, \$810,000.

7 Appropriations hereinafter made for the field service of
8 the Post Office Department, except as otherwise provided,
9 shall not be expended for any of the purposes hereinbefore
10 provided for on account of the Post Office Department in the
11 District of Columbia: *Provided*, That the actual and neces-
12 sary expenses of officials and employees of the Post Office
13 Department and Postal Service, when traveling on official
14 business, may continue to be paid from the appropriations for
15 the service in connection with which the travel is performed,
16 and appropriations for the fiscal year 1942 of the character
17 heretofore used for such purposes shall be available therefor:
18 *Provided further*, That appropriations hereinafter made,
19 except such as are exclusively for payment of compensation,
20 shall be immediately available for expenses in connection
21 with the examination of estimates for appropriations in the
22 field including per diem allowances in lieu of actual expenses
23 of subsistence.

1 FIELD SERVICE, POST OFFICE DEPARTMENT

2 OFFICE OF THE POSTMASTER GENERAL

3 Travel expenses, Postmaster General and Assistant
4 Postmasters General: For travel and miscellaneous expenses
5 in the Postal Service, offices of the Postmaster General and
6 Assistant Postmasters General, \$3,000.

7 Personal or property damage claims: To enable the
8 Postmaster General to pay claims for damages, occurring
9 during the fiscal year 1942, or in prior fiscal years, to per-
10 sons or property in accordance with the provisions of the
11 Deficiency Appropriation Act, approved June 16, 1921
12 (5 U. S. C. 392), as amended by the Act approved June
13 22, 1934 (48 Stat. 1207), \$45,000.

14 Adjusted losses and contingencies: To enable the Post-
15 master General to pay to postmasters, Navy mail clerks,
16 and assistant Navy mail clerks or credit them with the
17 amount ascertained to have been lost or destroyed during
18 the fiscal year 1942, or prior fiscal years, through burglary,
19 fire, or other unavoidable casualty resulting from no fault or
20 negligence on their part, as authorized by the Act approved
21 March 17, 1882, as amended, \$60,000.

22 OFFICE OF CHIEF INSPECTOR

23 Salaries of inspectors: For salaries of fifteen inspectors
24 in charge of divisions and ~~six hundred and twenty inspectors~~
25 *not to exceed an average for the fiscal year of six hundred*

1 and fifty-five inspectors in a pay status, ~~\$2,405,700~~
 2 \$2,496,700.

3 Traveling and miscellaneous expenses: For traveling
 4 expenses of inspectors, inspectors in charge, the chief post-
 5 office inspector, and the assistant chief post-office inspector,
 6 and for the traveling expenses of four clerks performing sten-
 7 ographic and clerical assistance to post-office inspectors in the
 8 investigation of important fraud cases; for tests, exhibits,
 9 documents, photographs, office, and other necessary expenses
 10 incurred by post-office inspectors in connection with their
 11 official investigations, including necessary miscellaneous ex-
 12 penses of division headquarters, and not to exceed \$500 for
 13 technical and scientific books and other books of reference
 14 needed in the operation of the Post Office Inspection Service,
 15 ~~\$652,350~~ \$682,000: *Provided*, That not exceeding \$26,000
 16 of this sum shall be available for transfer by the Postmaster
 17 General to other departments and independent establishments
 18 for chemical and other investigations.

19 Clerks, division headquarters: For compensation of
 20 one hundred and ninety-four clerks, at division headquarters
 21 of post-office inspectors, \$483,975.

22 Payment of rewards: For payment of rewards for the
 23 detection, arrest, and conviction of post-office burglars, rob-
 24 bers, highway mail robbers, and persons mailing or causing
 25 to be mailed any bomb, infernal machine, or mechanical,

1 chemical, or other device or composition which may ignite
 2 or explode, \$55,000: *Provided*, That rewards may be paid
 3 in the discretion of the Postmaster General, when an offender
 4 of the classes mentioned was killed in the act of committing
 5 the crime or in resisting lawful arrest: *Provided further*,
 6 That no part of this sum shall be used to pay any rewards
 7 at rates in excess of those specified in Post Office Depart-
 8 ment Order 9273, dated July 25, 1936: *Provided further*,
 9 That of the amount herein appropriated not to exceed
 10 \$20,000 may be expended in the discretion of the Postmaster
 11 General, for the purpose of securing information concerning
 12 violations of the postal laws and for services and information
 13 looking toward the apprehension of criminals.

14 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

15 Compensation to postmasters: For compensation to post-
 16 masters, including compensation as postmaster to persons
 17 who, pending the designation of an acting postmaster, assume
 18 and properly perform the duties of postmaster in the event
 19 of a vacancy in the office of postmaster of the third or fourth
 20 class, and for allowances for rent, light, fuel, and equipment
 21 to postmasters of the fourth class, \$50,200,000.

22 Compensation to assistant postmasters: For compensa-
 23 tion to assistant postmasters at first- and second-class post
 24 offices, ~~\$7,230,000~~ \$7,400,000:

25 Clerks, first- and second-class post offices: For compen-

1 sation to clerks and employees at first- and second-class post
 2 offices, including auxiliary clerk hire at summer and winter
 3 post offices, printers, mechanics, skilled laborers, watchmen,
 4 messengers, laborers, and substitutes, \$216,000,000.

5 Clerks, contract stations: For compensation to clerks
 6 in charge of contract stations, \$1,640,000.

7 Separating mails: For separating mails at third- and
 8 fourth-class post offices, \$415,000.

9 Unusual conditions: For unusual conditions at post
 10 offices, \$85,000.

11 Clerks, third-class post offices: For allowances to third-
 12 class post offices to cover the cost of clerical services
 13 ~~\$8,050,000~~ \$8,400,000.

14 Miscellaneous items, first- and second-class post offices:
 15 For miscellaneous items necessary and incidental to the opera-
 16 tion and protection of post offices of the first and second
 17 classes, and the business conducted in connection therewith,
 18 not provided for in other appropriations, \$1,825,000.

19 Village delivery service: For village delivery service
 20 in towns and villages having post offices of the second or
 21 third class, and in communities adjacent to cities having city
 22 delivery, \$1,675,000.

23 Detroit River service: For Detroit River postal service,
 24 \$11,960.

25 Carfare and bicycle allowance: For carfare and bicycle

1 allowance, including special-delivery carfare, and cost of
 2 transporting carriers by privately owned automobiles to and
 3 from their routes, at rates not exceeding regular streetcar
 4 or bus fare, ~~\$1,450,000~~ \$1,475,000.

5 City delivery carriers: For pay of letter carriers, City
 6 Delivery Service, and United States Official Mail and Mes-
 7 senger Service, \$151,500,000.

8 Special-delivery fees: For fees to special-delivery
 9 messengers, \$9,250,000.

10 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

11 Star-route service: For inland transportation by star
 12 routes (excepting service in Alaska), including temporary
 13 service to newly established offices, ~~\$11,250,000~~ \$11,400,000.

14 Star-route service, Alaska: For inland transportation
 15 by star routes in Alaska, \$170,000.

16 Powerboat service: For inland transportation by steam-
 17 boat or other powerboat routes, including ship, steamboat,
 18 and way letters, \$1,397,750.

19 Railroad transportation and mail messenger service: For
 20 inland transportation by railroad routes and for mail mes-
 21 senger service, ~~\$112,000,000~~ \$112,300,000: *Provided*, That
 22 separate accounts be kept of the amount expended for mail
 23 messenger service: *Provided further*, That there may be ex-
 24 pended from this appropriation for personal services in the
 25 District of Columbia not exceeding the sum of \$33,050 to

1 carry out the provisions of section 214 of the Act of February
2 28, 1925 (39 U. S. C. 826) (cost ascertainment).

3 Railway Mail Service: For fifteen division superintend-
4 ents, fifteen assistant division superintendents, two assistant
5 superintendents at large, one hundred and twenty chief
6 clerks, one hundred and twenty assistant chief clerks, clerks
7 in charge of sections in the offices of division superintendents,
8 railway postal clerks, substitute railway postal clerks, joint
9 employees, and laborers in the Railway Mail Service, ~~\$57,~~
10 ~~400,000~~ \$57,460,000.

11 Railway postal clerks, travel allowance: For travel
12 allowance to railway postal clerks and substitute railway
13 postal clerks, \$3,275,000.

14 Railway Mail Service, traveling expenses: For actual
15 and necessary expenses, general superintendent and assistant
16 general superintendent, division superintendents, assistant di-
17 vision superintendents, assistant superintendents, chief clerks,
18 and assistant chief clerks, Railway Mail Service, and railway
19 postal clerks, while actually traveling on business of the
20 Post Office Department and away from their several desig-
21 nated headquarters, ~~\$55,000~~ \$60,000.

22 Railway Mail Service, miscellaneous expenses: For
23 rent, light, heat, fuel, telegraph, miscellaneous and office
24 expenses, telephone service, badges for railway postal clerks,
25 rental of space for terminal railway post offices for the dis-

1 tribution of mails when the furnishing of space for such
2 distribution cannot, under the Postal Laws and Regulations,
3 properly be required of railroad companies without addi-
4 tional compensation, and for equipment and miscellaneous
5 items necessary to terminal railway post offices. ~~\$140,000~~
6 \$450,000.

7 Electric- and cable-car service: For electric- and cable-
8 car service, \$200,000.

9 Foreign mail transportation: For transportation of
10 foreign mails, except by aircraft, \$2,300,000: *Provided*, That
11 the Postmaster General is authorized to expend such sums
12 as may be necessary, not to exceed \$70,000, to cover the
13 cost to the United States for maintaining sea post service
14 on ocean steamships conveying the mails to and from the
15 United States.

16 Balances due foreign countries: For balances due foreign
17 countries, fiscal year 1942 and prior years, \$1,500,000.

18 Indemnities, international mail: For payment of limited
19 indemnity for the injury or loss of international mail in
20 accordance with convention, treaty, or agreement stipula-
21 tions, fiscal year 1942 and prior years, \$8,000.

22 Rural Delivery Service: For pay of rural carriers, auxil-
23 iary carriers, substitutes for rural carriers on annual and sick
24 leave, clerks in charge of rural stations, and tolls and ferriage,
25 Rural Delivery Service, and for the incidental expenses

1 thereof, \$92,100,000, of which not less than \$200,000 shall
 2 be available for extensions and new service.

3 Foreign air-mail transportation: For transportation of
 4 foreign mails by aircraft, as authorized by law, including
 5 the transportation of mail by aircraft between Seattle,
 6 Washington, and Juneau, Alaska, via Ketchikan, Alaska,
 7 ~~\$15,477,834~~ \$16,693,831.

8 Domestic Air Mail Service: For the inland transpor-
 9 tation of mail by aircraft, as authorized by law, and for
 10 the incidental expenses thereof, including not to exceed
 11 \$54,400 for supervisory officials and clerks at air-mail
 12 transfer points, travel expenses, and not to exceed \$64,500
 13 for personal services in the District of Columbia, ~~\$21,280,327~~
 14 \$21,509,313, *of which amount the sum of \$45,696 shall be*
 15 *immediately available.*

16 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

17 Manufacture and distribution of stamps and stamped
 18 paper: For manufacture of adhesive postage stamps, special-
 19 delivery stamps, books of stamps, stamped envelopes, news-
 20 paper wrappers, postal cards, and for coiling of stamps, and
 21 including not to exceed \$22,500 for pay of agent and assist-
 22 ants to examine and distribute stamped envelopes and news-
 23 paper wrappers, and for expenses of agency, ~~\$5,000,000~~
 24 \$5,165,000.

25 Indemnities, domestic mail: For payment of limited

1 indemnity for the injury or loss of pieces of domestic regis-
2 tered matter, insured and collect-on-delivery mail, and for
3 failure to remit collect-on-delivery charges, \$500,000.

4 Unpaid money orders more than one year old: For
5 payment of domestic money orders after one year from the
6 last day of the month of issue of such orders, \$190,000.

7 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

8 Post office stationery, equipment, and supplies: For sta-
9 tionery for the Postal Service, including the money-order
10 and registry system; and also for the purchase of supplies
11 for the Postal Savings System, including rubber stamps,
12 canceling devices, certificates, envelopes, and stamps for use
13 in evidencing deposits, and free penalty envelopes; and for
14 the reimbursement of the Secretary of the Treasury for ex-
15 penses incident to the preparation, issue, and registration of
16 the bonds authorized by the Act of June 25, 1910 (39
17 U. S. C. 760) for miscellaneous equipment and supplies,
18 including the purchase and repair of furniture, package boxes,
19 posts, trucks, baskets, satchels, straps, letter-box paint, baling
20 machines, perforating machines, stamp vending and postage
21 meter devices, duplicating machines, printing presses, direc-
22 tories, cleaning supplies, and the manufacture, repair, and
23 exchange of equipment, the erection and painting of letter-
24 box equipment, and for the purchase and repair of presses
25 and dies for use in the manufacture of letter boxes; for post-

1 marking, rating, money-order stamps, and electrotype plates
2 and repairs to same; metal, rubber, and combination type,
3 dates and figures, type holders, ink pads for canceling and
4 stamping purposes, and for the purchase, exchange, and
5 repair of typewriting machines, envelope-opening machines,
6 and computing machines, numbering machines, time re-
7 corders, letter balances, scales (exclusive of dormant or
8 built-in platform scales in Federal buildings), test weights,
9 and miscellaneous articles purchased and furnished directly to
10 the Postal Service, including complete equipment and furni-
11 ture for post offices in leased and rented quarters; for the pur-
12 chase (including exchange), repair, and replacement of arms
13 and miscellaneous items necessary for the protection of the
14 mails; for miscellaneous expenses in the preparation and pub-
15 lication of post-route maps and rural delivery maps or blue-
16 prints, including tracing for photolithographic reproduction;
17 for other expenditures necessary and incidental to post offices
18 of the first, second, and third classes, and offices of the fourth
19 class having or to have rural delivery service, and for letter
20 boxes; for the purchase of atlases and geographical and
21 technical works not to exceed \$1,500; for wrapping twine
22 and tying devices (not more than three-fourths of the funds
23 herein appropriated for the purchase of twine shall be ex-
24 pended in the purchase of twine manufactured from materials
25 or commodities produced outside the United States); for

1 expenses incident to the shipment of supplies, including hard-
2 ware, boxing, packing, and not exceeding \$62,300 for the
3 pay of employees in connection therewith in the District of
4 Columbia; for rental, purchase, exchange, and repair of can-
5 celing machines and motors, mechanical mail-handling ap-
6 paratus, accident prevention, and other labor-saving devices,
7 including cost of power in rented buildings and miscellaneous
8 expenses of installation and operation of same, including
9 not to exceed \$35,000 for salaries of thirteen traveling
10 mechanics, and for traveling expenses, \$3,225,000: *Pro-*
11 *vided*, That the Postmaster General may authorize the sale
12 to the public of post-route maps and rural delivery maps or
13 blueprints at the cost of printing and 10 per centum thereof
14 added.

15 Equipment shops, Washington, District of Columbia:
16 For the purchase, manufacture, and repair of mail bags and
17 other mail containers and attachments, mail locks, keys,
18 chains, tools, machinery, and material necessary for same,
19 and for incidental expenses pertaining thereto; material, ma-
20 chinery, and tools necessary for the manufacture and repair
21 of such other equipment for the Postal Service as may be
22 deemed expedient; accident prevention; for the expenses of
23 maintenance and repair of the mail bag equipment shops
24 building and equipment, including fuel, light, power, and
25 miscellaneous supplies and services; maintenance of grounds;

1 for compensation to labor employed in the equipment shops
2 and in the operation, care, maintenance, and protection of
3 the equipment shops building, grounds, and equipment,
4 \$1,075,000, of which not to exceed \$605,000 may be
5 expended for personal services in the District of Colum-
6 bia: *Provided*, That out of this appropriation the Post-
7 master General is authorized to use as much of the sum,
8 not exceeding \$15,000, as may be deemed necessary for
9 the purchase of material and the manufacture in the equip-
10 ment shops of such small quantities of distinctive equipments
11 as may be required by other executive departments; and for
12 service in Alaska, Puerto Rico, Philippine Islands, Hawaii,
13 or other island possessions.

14 Rent, light, fuel, and water: For rent, light, fuel, and
15 water, for first-, second-, and third-class post offices, and the
16 cost of advertising for lease proposals for such offices,
17 ~~\$9,900,000~~ \$9,975,000.

18 Pneumatic-tube service, New York City: For rental of
19 not exceeding twenty-eight miles of pneumatic tubes, hire
20 of labor, communication service, electric power, and other
21 expenses for transmission of mail in the city of New York
22 including the Borough of Brooklyn, \$540,628: *Provided*,
23 That the provisions of the Acts of April 21, 1902, May 27,
24 1908, and June 19, 1922 (39 U. S. C. 423), relating to

1 contracts for the transmission of mail by pneumatic tubes
2 or other similar devices shall not be applicable hereto.

3 Pneumatic-tube service, Boston: For the rental of not
4 exceeding two miles of pneumatic tubes, not including labor
5 and power in operating the same, for the transmission of mail
6 in the city of Boston, Massachusetts, \$24,000: *Provided*,
7 That the provisions not inconsistent herewith of the Acts
8 of April 21, 1902 (39 U. S. C. 423), and May 27, 1908
9 (39 U. S. C. 423), relating to the transmission of mail
10 by pneumatic tubes or other similar devices shall be appli-
11 cable hereto.

12 Vehicle service: For vehicle service; the hire of ve-
13 hicles; the rental of garage facilities; the purchase, exchange,
14 maintenance, and repair of motor vehicles, including the
15 repair of vehicles owned by, or under the control of, units of
16 the National Guard and departments and agencies of the
17 Federal Government where repairs are made necessary be-
18 cause of utilization of such vehicles in the Postal Service;
19 accident prevention; the hire of supervisors, clerical assist-
20 ance, mechanics, drivers, garagemen, and such other em-
21 ployees as may be necessary in providing vehicles and vehicle
22 service for use in the collection, transportation, delivery, and
23 supervision of the mail, and United States official mail and
24 messenger service, \$15,900,000: *Provided*, That the Post-
25 master General may, in his disbursement of this appropria-

tion, apply a part thereof to the leasing of quarters for the housing of Government-owned motor vehicles at a reasonable annual rental for a term not exceeding ten years: *Provided further*, That the Postmaster General, during the fiscal year 1942 may purchase and maintain from the appropriation "Vehicle service" such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, ~~\$330,000~~ \$350,000.

PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

Operating force: For personal services in connection with the operation of public buildings, including the Washington Post Office and the Customhouse Building in the District of Columbia, operated by the Post Office Department, together with the grounds thereof and the equipment and furnishings therein, including telephone operators for the operation of telephone switchboards or equivalent tele-

1 phone switchboard equipment in such buildings jointly serv-
2 ing in each case two or more governmental activities,
3 \$23,500,000: *Provided*, That in no case shall the rates of
4 compensation for the mechanical labor force be in excess of
5 the rates current at the time and in the place where such
6 services are employed.

7 Operating supplies, public buildings: For fuel, steam,
8 gas, and electric current for lighting, heating, and power
9 purposes, water, ice, lighting supplies, removal of ashes and
10 rubbish, snow and ice, cutting grass and weeds, washing
11 towels, telephone service for custodial forces, and for mis-
12 cellaneous services and supplies, accident prevention, vacuum
13 cleaners, tools and appliances and repairs thereto, for the
14 operation of completed and occupied public buildings and
15 grounds, including mechanical and electrical equipment, but
16 not the repair thereof, operated by the Post Office Depart-
17 ment, including the Washington Post Office and the Custom-
18 house Building in the District of Columbia, and for the trans-
19 portation of articles and supplies authorized herein, \$5,500,-
20 000: *Provided*, That the foregoing appropriation shall not be
21 available for personal services except for work done by con-
22 tract, or for temporary job labor under exigency not exceed-
23 ing at one time the sum of \$100 at any one building: *Pro-*
24 *vided further*, That the Postmaster General is authorized to
25 contract for telephone service in public buildings under his

1 administration by means of telephone switchboards or equiva-
2 lent telephone switching equipment jointly serving in each
3 case two or more governmental activities, where he deter-
4 mines that joint service is economical and in the interest of
5 the Government, and to secure reimbursement for the cost of
6 such joint service from available appropriations for telephone
7 expenses of the bureaus and offices receiving the same.

8 Furniture, carpets, and safes, public buildings: For the
9 procurement, including transportation, of furniture, carpets,
10 safes, safe and vault protective devices, and repairs of same,
11 for use in public buildings which are now, or may hereafter
12 be, operated by the Post Office Department. ~~\$600,000~~
13 ~~\$675,000~~: *Provided*, That, excepting expenditures for labor
14 for or incidental to the moving of equipment from or into pub-
15 lic buildings, the foregoing appropriation shall not be used for
16 personal services except for work done under contract or for
17 temporary job labor under exigency and not exceeding at one
18 time the sum of \$100 at any one building: *Provided further*,
19 That all furniture now owned by the United States in other
20 public buildings or in buildings rented by the United States
21 shall be used, so far as practicable, whether or not it corre-
22 sponds with the present regulation plan of furniture.

23 Scientific investigations: In the disbursement of appro-
24 priations contained in this title for the field service of the
25 Post Office Department the Postmaster General may trans-

1 fer to the Bureau of Standards not to exceed \$20,000 for
2 scientific investigations in connection with the purchase of
3 materials, equipment, and supplies necessary in the mainte-
4 nance and operation of the Postal Service.

5 Deficiency in postal revenues: If the revenues of the
6 Post Office Department shall be insufficient to meet the
7 appropriations made under title II of this Act, a sum equal
8 to such deficiency in the revenues of such Department is
9 hereby appropriated, to be paid out of any money in the
10 Treasury not otherwise appropriated, to supply such de-
11 ficiency in the revenues of the Post Office Department for
12 the fiscal year ending June 30, 1942, and the sum needed
13 may be advanced to the Post Office Department upon requi-
14 sition of the Postmaster General.

15 This title may be cited as the "Post Office Department
16 Appropriation Act, 1942".

17 TITLE III—GENERAL PROVISIONS

18 SEC. 301. Appropriations for the fiscal year 1942
19 available for expenses of travel of civilian officers and
20 employees of the executive departments and establishments
21 shall be available also for expenses of travel performed by
22 them on transfer from one official station to another when
23 authorized by the head of the department or establishment
24 concerned in the order directing such transfer: *Provided*,
25 That such expenses shall not be allowed for any transfer
26 effected for the convenience of any officer or employee.

1 SEC. 302. No appropriation available for the executive
2 departments and independent establishments of the Govern-
3 ment for the fiscal year ending June 30, 1942, whether
4 contained in this Act or any other Act, shall be expended—

5 (a) To purchase any motor-propelled passenger-car-
6 rying vehicle (exclusive of busses, ambulances, and station
7 wagons , at a cost, completely equipped for operation,
8 and including the value of any vehicle exchanged, in excess
9 of \$750, unless otherwise specifically provided for in the
10 appropriation.

11 (b) For the maintenance, operation, and repair of any
12 Government-owned motor-propelled passenger-carrying ve-
13 hicle not used exclusively for official purposes; and “official
14 purposes” shall not include the transportation of officers and
15 employees between their domiciles and places of employ-
16 ment, except in cases of medical officers on out-patient
17 medical services and except in cases of officers and employees
18 engaged in field work the character of whose duties makes
19 such transportation necessary and then only as to such latter
20 cases when the same is approved by the head of the depart-
21 ment or establishment concerned. The limitations of this
22 subsection (b) shall not apply to any motor vehicles for
23 official use of the President, the heads of the executive depart-
24 ments, Ambassadors, Ministers, and chargés d’affaires.

25 (c) For the maintenance, upkeep, and repair (exclusive

1 of garage rent, pay of operators, tires, fuel, and lubricants)
2 on any one motor-propelled passenger-carrying vehicle, ex-
3 cept busses and ambulances, in excess of one-third of the
4 market price of a new vehicle of the same make and class
5 and in no case in excess of \$400.

6 SEC. 303. No part of the money appropriated under
7 this Act shall be paid to any person for the filling of any
8 position for which he or she has been nominated after the
9 Senate upon vote has failed to confirm the nomination of
10 such person.

11 SEC. 304. No part of any appropriation contained in
12 this Act or authorized hereby to be expended shall be used
13 to pay the compensation of any officer or employee of the
14 Government of the United States, or of any agency the
15 majority of the stock of which is owned by the Government
16 of the United States, whose post of duty is in continental
17 United States, unless such officer or employee is a citizen
18 of the United States or a person in the service of the United
19 States on the date of the approval of this Act who, being
20 eligible for citizenship, has filed a declaration of intention to
21 become a citizen or who owes allegiance to the United States:
22 *Provided*, That this section shall not apply to enlisted men
23 of the United States Coast Guard who are on active duty in
24 that service on the effective date of this Act, until the ex-

1 piration of the period required for such enlisted men to com-
2 plete their naturalization, nor shall it apply to personnel of
3 the Coast Guard on the retired list, and enlisted men on
4 active duty with over twelve years' honorable service who
5 are ineligible for United States citizenship.

6 *SEC. 305. No part of any appropriation contained in*
7 *this Act shall be used to pay the salary or wages of any per-*
8 *son who advocates, or who is a member of an organization*
9 *that advocates, the overthrow of the Government of the United*
10 *States by force or violence: Provided, That for the purposes*
11 *hereof an affidavit shall be considered prima facie evidence*
12 *that the person making the affidavit does not advocate, and*
13 *is not a member of an organization that advocates, the over-*
14 *throw of the Government of the United States by force or*
15 *violence: Provided further, That any person who advocates,*
16 *or who is a member of an organization that advocates, the*
17 *overthrow of the Government of the United States by force*
18 *or violence and accepts employment the salary or wages for*
19 *which are paid from any appropriation contained in this*
20 *Act shall be guilty of a felony and, upon conviction, shall*
21 *be fined not more than \$1,000 or imprisoned for not more*
22 *than one year, or both: Provided further, That the above*
23 *penalty clause shall be in addition to, and not in substitution*
24 *for, any other provisions of existing law.*

1 SEC. ~~305~~ 306. This Act may be cited as the "Treasury
2 and Post Office Departments Appropriation Act, 1942".

Passed the House of Representatives February 13, 1941.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

77TH CONGRESS
1ST SESSION

H. R. 3205

[Report No. 142]

AN ACT

Making appropriations for the Treasury and
Post Office Departments for the fiscal year
ending June 30, 1942, and for other purposes.

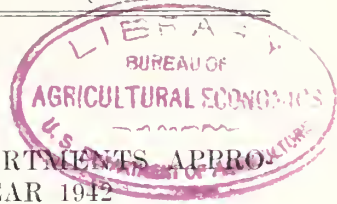
FEBRUARY 14 (legislative day, FEBRUARY 13), 1941

Read twice and referred to the Committee on
Appropriations

MARCH 26, 1941

Reported with amendments

TREASURY AND POST OFFICE DEPARTMENTS, APPROPRIATION BILL, FISCAL YEAR 1942



APRIL 14, 1941.—Ordered to be printed

Mr. McCARRAN for Mr. BAILEY, from the Committee on Appropriations, submitted the following

MINORITY VIEWS

[To accompany H. R. 3205]

McKELLAR AMENDMENT—PROVIDING APPROPRIATION FOR AMERICAN EXPORT AIRLINES

The undersigned respectfully disagrees with the majority upon the subject of the above-entitled amendment and takes occasion to submit his views as follows:

1. American Export Steamship Lines is controlled by Lehman Bros., investment bankers of New York City.

2. American Export Steamship Lines owns 70 percent of the stock of American Export Airlines. Its control is absolute, and the two corporations are interlocking. The banking house of Lehman Bros. controls both.

3. It is against public policy for a steamship line to control an air-transportation line. The civil-aeronautics statute went so far as to provide that no corporation should control an air-carrier corporation except upon special permission. The special permission in this particular case has been granted, but under a decision which is questioned and which decision is now undergoing test in the courts. The decision of the Civil Aeronautics Board was signed by only two of the five members and there was a dissenting opinion, copy of which is attached hereto, and Senators interested are invited to read this dissenting opinion because it clearly shows the fallacy of the principal opinion.

4. If steamship lines are to be permitted to control air-transportation lines, the consequences will be detrimental and perhaps ruinous to the air-transportation lines. The two means of transportation are highly competitive and it is not unlikely that steamship lines would favor the steamship transportation as against air transportation. It is of the utmost importance that air transportation be kept separate from transportation by land or rail and transportation by water.

This is indispensable to the development of air transportation. This situation is aggravated by the fact that a banking house is the real moving party and controls both companies.

5. It is also against public policy to have two subsidies for competition on one route. Two subsidies in such case are highly expensive. In this case an additional trip by the Pan American Airways, which has the authorization for the route from New York to Lisbon, can be had for about \$9,000. But it is proposed in this amendment to allow the American Export Airlines \$29,418 for each additional trip, and at this rate for three additional trips. The Pan American Airways is prepared to put on extra trips as may be desired by our Government, and will shortly have three airships available for this purpose. The American Export Airlines will not have any ships prior to November, and is not likely to have as many as three for a full year. Why should the Federal Government pay \$29,418 a year for additional trips between New York and Lisbon when it can get them for \$9,000?

6. The American Export Steamship Lines has now a monopoly of subsidized water transportation between this country and Lisbon, and it is now carrying 70 percent of the mail between these points. If the McKellar amendment is passed it would take over probably half of the air-mail business between New York and Lisbon and it would have a practical monopoly of both water transportation and air transportation—that is 85 percent of the mail and all the passengers and freight. Why should this Government give the American Export Steamship Lines such a monopoly? Or why should it give such subsidies and such a monopoly to Lehman Bros.? It is a strong banking company and has political connections of great influence. But is not this too much, even so?

7. The American Export Steamship Lines (Lehman Bros.) has been very greatly favored by this Government. It has enjoyed immense operating subsidies and has had the benefit of immense construction subsidies. As to the amount of these subsidies reference is hereby made to letters attached from the Chairman of the United States Maritime Commission. The American Export Steamship Lines is now making immense profits. Under the Maritime Act it was not in contemplation that it should make in excess of 10 percent on the capital employed; but in 3 years it has made \$7,000,000 in excess. It now seeks to get benefit of mail subsidies, and at an additional cost to the Government. The simple fact is Lehman Bros., enjoying two subsidies, now seeks by newspaper advertising, columnist propaganda, and lobbying to get a third.

8. No complaint is made as to the adequacy or efficiency of Pan American Airways. It is agreed that this company has done its work well, and it is also agreed that it is prepared to put on three additional ships between New York and Lisbon and at a cost of at least \$20,000 per trip less than American Export Airlines. Complaint is made that it has a monopoly. The remedy here is not by way of subsidy to a banking house, but by way of encouraging legitimate enterprises on separate routes.

9. A subsidy to American Export Airlines may lead to operation of a foreign line from Portugal.

10. Pan American ships available are far superior to Export Airline ships, as shown by table entitled "Aircraft On Order."

The undersigned very gravely objects to the efforts of a steamship line and banking house, which has no primary interest in transportation of any sort, breaking into the program of the Government with respect to shipping by water and by air. It ought to be informed in plain language that its course is calculated to disturb the stability that has been obtained in maritime transportation and in air transportation. Any effort on the part of steamship lines or banking houses to control our aircraft transportation ought to be discountenanced and repudiated promptly, and with such force as would convince all banking houses and all steamship lines that it is the intention of this Government to keep steamship transportation independent, banking-house activities independent, and aircraft transportation separate and independent, each on its own base and each in its own domain. Any other policy will bring disaster.

The Tydings substitute for the McKellar amendment was lost by a vote of 13 to 12—and that by a change after it had been announced that the McKellar amendment was defeated.

Respectfully submitted,

JOSIAH W. BAILEY.

[Copy]

CIVIL AERONAUTICS BOARD

In the matter of the application of American Export Airlines, Inc.

RYAN, member, concurring and dissenting:

With the Board's disposition of the application for a certificate of public convenience and necessity I am in agreement. I must dissent, however, from the conclusion of the majority that the Board is without a duty or power under section 408 of the Civil Aeronautics Act to determine the effect upon the public interest of the interlocking relationship between the two companies. Such interpretation of section 408, in my opinion, is not sustained by an analysis of the statute and in future cases would bind us to a limitation of jurisdiction over relationships of the type covered by section 408 which was not intended by the Congress.

It appears from the record that American Export Lines, Inc., is a steamship company and a common carrier by water. On April 7, 1938, it formed, under Delaware law, American Export Airlines, Inc., the present applicant, and took all of its capital stock. At present it owns 70 percent of such stock. One of the corporate purposes of the applicant was and is to carry on the business of air transportation. With the aid of advances from its parent, the steamship company, the applicant made preliminary surveys during and after the year 1937, signed on September 7, 1938, a contract for the purchase of an airplane, began survey flights in the summer of 1939, and on May 9, 1939, filed its present application for a certificate of public convenience and necessity—all preparatory to engaging in trans-Atlantic air transportation. The officers and directors of the applicant are, with two exceptions, the officers and directors of the steamship company, which has exercised control over the applicant's policies from the date of its incorporation. Upon our issuance of the certificate authorized in the present proceeding, the applicant "will undertake to engage in air transportation" and will certainly become an "air carrier."

The question is whether the applicant, before it enters upon the undertaking of an air carrier, must have our approval of the relationship of control which will then exist between a steamship company and an air carrier. I believe that approval is required.

Section 408 (a) (5) of the act provides that "it shall be unlawful, unless approved by order of the Authority as provided in this section, * * * for any air carrier or person controlling an air carrier, *any other common carrier*, or any person engaged in any other phase of aeronautics, to acquire control of any carrier *in any manner whatsoever*." Section 408 (a) (6) imposes the same requirement upon an acquisition "*in any manner whatsoever*" of "any person engaged in any phase of aeronautics otherwise than as an air carrier". [Italics supplied.] The majority

holds that section 408 (a) (5) "applies to cases involving the control of air carriers only where the acquisition of control of a corporate entity occurs at a time when that entity is already an air carrier," and that since the acquired corporate entity in the present case, namely, the applicant, will become an air carrier subsequent to the date when its stock came into the possession of the steamship company, no acquisition will have taken place within the meaning of section 408; and that the Board, therefore, has no jurisdiction over the consummation of the relationship which will exist between the steamship company and the air carrier.

It will be noted that this interpretation makes the date of the enactment of the Civil Aeronautics Act of no significance in the present case. For the majority finds, in effect, that section 408 is not applicable to the present case not because there was no acquisition of an air carrier prior to the passage of the Civil Aeronautics Act, *but because there will have been consummated no acquisition of an air carrier by the steamship company, even after the applicant has actually undertaken and embarked upon the business of air transportation.*

The basic difficulty I have in accepting this interpretation lies in the assumption that an acquisition within the meaning of section 408 "means some transaction such as the purchase of stock" and that since, in the present case, "the acquired company was not an air carrier at the time such an acquisition of it took place," the section does not apply. I find no language in the section to justify placing such a limitation upon the content of the word "acquire" which in its ordinary dictionary meaning means to "gain," "to obtain possession of," "to receive in any way whatsoever" (Winston Simplified Dictionary, College Edition, 1939), "to receive or gain in whatever manner" (Funk & Wagnalls New Standard Dictionary of the English Language, 1937). On the contrary, the section specifically refers to an acquisition of control "in any manner whatsoever." In view of the express language thus used, it seems to me to be an unwarranted interpretation which asserts that if a common carrier steamship company obtains, by stock purchase, control of another company which, at the time of such stock purchase is an air carrier, there is consummated an acquisition within the meaning of section 408, but that if such steamship company obtains control of a company which is not at the time an air carrier and later causes such controlled company, by appropriate acts, to become an air carrier, no acquisition of an air carrier has taken place. Certainly the results so far as the public interest is concerned will be the same in both cases since, in both situations, the steamship carrier obtains control of an air carrier.

The latter of the two situations above outlined describes the instant case. The single act of stock purchase of the corporate entity of the applicant constituted but the initial step in a process by which the steamship company will "obtain possession of" an air carrier. That process will have been completed when the applicant undertakes to engage in air transportation. (Sec. 1 (2) of the act defines "air carrier" as "any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation.") The direction of the act requiring us to pass upon acquisitions of air carriers "in any manner whatsoever," must mean that Congress intended that we should regard the series of events which will result in the control of an air carrier by the steamship company as constituting an acquisition.

It must be conceded that immediately after the steamship company obtained control of the applicant corporation, the steamship company did not at that time have possession or control of an air carrier. It is equally undeniable that after the applicant has actually begun to engage in the business of air transportation under its certificate, the steamship company will then have possession and control of an air carrier. Between these two dates some event or series of events will have occurred to produce this result. To hold that that event or series of events which will vest in the steamship company control of an air carrier which it did not previously control does not constitute an acquisition is to ignore the commonly accepted definition of the word "acquire," which means "to receive or gain in whatever manner." The majority's view involves us in the inescapable and, to my mind, unsupportable conclusion that although the steamship company will at some time find itself in control of American Export Airlines, Inc., as an air carrier, it will never have "received in any way whatever" control of that air carrier.

The construction which I have urged would seem to be consonant with the policy of the Civil Aeronautics Act with respect to intercorporate relationships of the types covered by sections 408 and 409. (Sec. 409 requires approval of interlocking officers and directors with respect to relationships of the kind covered by section 408. Thus, although the Board in the instant case has ruled that it is without jurisdiction to pass upon the acquisition of the applicant as an air carrier

by the steamship company, the Board, under section 409 (a), will nevertheless have to approve the interlocking officers and directors of the steamship company and the applicant before they may lawfully continue to occupy their positions.) It needs no resort to legislative history to reach the conclusion that it was the purpose of Congress in this act to insure that air carriers should be kept separate from other enterprises such as aircraft-manufacturing companies and common carriers engaged in surface transportation, except where an affiliated relationship shall have been found by the Board to be not inconsistent with the public interest. The majority's construction of section 408 runs counter to such policy, since it permits interlocking relationships between steamship carriers and air carriers to be consummated without the Board's approval except in those cases where the acquired company was an already existing air carrier. I find it impossible to reconcile the language and policy of the act with the conclusion that the congressional purpose was limited to the maintenance of the identity of air carriers and aeronautical companies which had already acquired their business character at the time of the acquisition of their corporate entities.

One consequence of such restricted interpretation is that under it any existing air carrier will be able, without obtaining the Board's approval to acquire an aircraft-manufacturing enterprise by the familiar method used by the steamship company in the instant case, namely, by organizing another corporation, taking over its controlling stock, and then causing such controlled corporation to engage in the manufacture of aircraft. For, under the doctrine of the majority opinion, the air carrier in such a case would not be acquiring control of a manufacturing company; it would be merely acquiring control of a corporate entity; and the subsequent embarking by that corporate entity upon the manufacturing business would not constitute an acquisition within the meaning of section 408.

For the reasons which I have set forth, I think the Board should take jurisdiction of the application for approval of the proposed acquisition under section 408 of the act and should determine such application on the merits, applying the standards prescribed by section 408, which differ from those applicable to the determination of the application for a certificate of public convenience and necessity.

UNITED STATES MARITIME COMMISSION,
OFFICE OF THE CHAIRMAN,
Washington, March 14, 1941.

HON. JOSIAH W. BAILEY,
United States Senate, Washington, D. C.

DEAR SENATOR BAILEY: There is enclosed a copy of a letter I am today sending to Senator Tydings which will, I hope, clarify some of the things that came up during my testimony the other day in connection with the American Export Steamship Co. matter.

During the discussion, you indicated that there was some question in your mind as to the advisability of continuing subsidy payments during a period such as the present when many companies are making large earnings. Aside from the fact that the operating-subsidy payments are a contractual obligation of the Government under long-range agreements, it seems to me that the situation with respect to American Export furnishes an excellent example of how the Merchant Marine Act is operating, just as Congress intended it should, to safeguard the subsidy situation during such a period as the present and to cause the excess profits both to contribute to the reconstruction of the American merchant marine and to build up adequate reserves against the rainy day.

The figures for Export, by years, beginning with January 1938, when the present agreement became effective, and using tentative results for 1940, are as follows:

Year	Total net earnings including subsidy	Subsidy	Free earnings ¹	Excess earnings
1938.....	\$500,614	\$1,020,094	\$249,408	\$251,206
1939.....	1,430,294	1,375,785	366,080	1,064,214
1940.....	7,705,757	1,681,000	448,115	7,257,642

¹ I. e., equivalent to 10 percent on the capital employed during the year and, therefore, available for dividends or for retention in the business.

As pointed out in my letter to Senator Tydings, the total net earnings for the 3-year period amount to approximately \$9,636,000, of which some \$4,077,000 was due to subsidy. If the agreement were to terminate now and the recapture be based on these 3 years only, including 1 year of extraordinary earnings, the entire subsidy would be recaptured, with funds to guarantee that recapture available to the Commission in bank accounts under joint control of the operator and the Commission. Of the profits over and above the subsidy, more than \$3,000,000 have been invested in new vessels in addition to earned depreciation and some free funds which the operator also used for construction as contemplated by the act.

Thus all of the advantages which the Merchant Marine Act contemplated have been served and the Government protected as though no subsidy had been paid, since funds for repayment of the subsidy are set aside. Meanwhile, however, because of requirements of the act enforceable by reason of the subsidy, a large proportion of the operator's earnings have been plowed back into new ships and a substantial reserve has been created against the possibility, which may be a very real one, of much less favorable operating conditions at some time in the near future, before the 10-year period for actual recapture has elapsed.

Obviously, if present extraordinary earnings should continue so that the excess over the allowable 10 percent continues at present levels, even though attributable in part to the subsidy as was the case in the 1 year of 1940, then the recapture of the subsidy will continue to be funded and the Government will thus be fully protected.

If, however, the company should fall on bad times with reduced earnings or actual losses, an entirely different situation as to average earnings (in contrast to extraordinary earnings during some part of the period) will have been created. Against this situation an automatic protection in the form of the special reserve will have been built up, precisely as was intended by the framers of the act, and much of the rehabilitation of the company's fleet will also have been financed out of the proceeds of the present favorable operations.

While I have suggested the American Export situation as an illustration, it is by no means unique. Lykes Bros., for example, before the outbreak of the European war, were being negotiated with by the Commission with respect to a minimum-replacement program. At that time it appeared very doubtful, not only to the company but to the Commission's staff, that the financing of replacements on a title-V basis (i. e., purchase) could be accomplished, and at most it appeared that only half of the needed replacements of obsolete vessels could be by purchase of newly built ships. The enhanced earnings and the prices obtained for old vessels, resulting from the present demand for services and tonnage, have changed the entire picture for Lykes Bros., and not only is their whole replacement program now being financed under title V but they also are building up adequate reserves against both recapture and bad times.

Thus, I think the experience under the present conditions is bearing out the basic philosophy of the act, and demonstrating its wisdom.

While we may perhaps be justified in entertaining a hope that operating subsidies may be reduced or eliminated at some time in the future, when world conditions have become stabilized and the physical condition of the American merchant marine rehabilitated, to take such a step at the present time when what are obviously temporary conditions may easily mislead us would, I think, be unfortunate. The remarkable way in which the purposes so wisely embodied in the act by its framers are now being carried out almost automatically, seems to me to give great emphasis to the thought that this is not the time to consider any serious departure from the present policy.

Sincerely yours,

E. S. LAND, *Chairman.*

UNITED STATES MARITIME COMMISSION,
Washington, March 14, 1941.

HON. MILLARD E. TYDINGS,
United States Senate, Washington, D. C.

DEAR SENATOR TYDINGS: It occurs to me that you may find it convenient to have certain phases of my testimony before your committee in connection with the matter of the American Export Steamship Co. somewhat amplified, more particularly as relates to the company's special reserve fund and the investment of \$1,200,000 thereof in the secured notes of the air-line subsidiary.

The total net earnings from the beginning of the present subsidy contract in January 1938 to December 31, 1940 (based in part upon preliminary figures for 1940), amounted in round figures to \$9,636,000. Of these earnings the amount in excess of the annual 10 percent upon the capital employed was \$8,573,000, which, under the law and under the contract, the operator is required to deposit in the statutory reserve funds.

The amount which the Commission is entitled to recapture out of the excess earnings is determinable only on the basis of the average earnings over 10-year periods so that the liability for recapture some 7 years from now might be increased or reduced, or might be wholly wiped out, depending upon the future earnings of the company.

If, however, the recapture were an immediate liability, the maximum amount which would be recapturable would be 50 percent of the accumulated excess earnings, or \$4,286,500. However, recapture is limited to the amount of subsidy paid and the total subsidy paid or accruing to the operator for the entire period to December 31, 1940, is \$4,077,000, which is, therefore, the limit of the contingent liability for recapture as it stood at December 31, 1940.

Turning now to the statutory funds themselves, there has been deposited in the capital-reserve fund out of the excess earnings, in accordance with the provisions of the Merchant Marine Act, a total of \$3,021,000, which has been devoted to down payments upon the new vessels, the construction of which the company undertook as part of its long-range replacement program. The remainder of the excess earnings is required to be deposited in the special reserve fund. The total amount of the special reserve fund at December 31, 1940, was \$3,514,000, to which there is about to be added additional deposits on account of 1940 earnings in the amount of \$2,037,000, thus making the total of the special reserve fund \$5,551,000.

Title to this special reserve fund is in the company, but the Commission has a lien upon it (and upon any unexpended balance in the capital reserve fund) to the extent of the recapture liability. This lien, as indicated above, amounts at December 31, 1940, to \$4,077,000, so that the company has an equity in the special reserve fund clear of all liens of \$1,474,000.

To provide against the accumulation of large amounts of idle funds in the statutory reserves, the Merchant Marine Act provides that such funds may, with the permission of the Commission, be invested in interest-bearing securities. The amount which has been so invested by American Export in the notes of the airways subsidiary, namely \$1,200,000, is less than the company's unencumbered equity in the special reserve fund.

There seems to have been some impression that the moneys invested in the airways company's notes were Government funds, and that the Commission holds the mortgages on the airships. This, of course, is not the case. Not only were they moneys to which the company had legal title, but they were moneys in excess of any to which the Commission has even a contingent claim. The notes themselves and the security therefor are part of the company's special reserve fund.

I am not here suggesting that the investment in the airways company's notes would not be a proper investment for moneys in the special reserve fund regardless of the extent to which the Commission had a lien thereon. The investment was permitted as a proper one under the provisions of the law, being in the opinion of the Commission well-secured, and as providing a suitable investment at 5-percent interest of moneys which would otherwise be idle in the bank and earning no interest whatsoever. However, I thought your committee might be interested in the above facts.

Sincerely yours,

E. S. LAND, *Chairman.*

AIRCRAFT ON ORDER

Pan American Airways:

6 double-deck ocean transports:

4-engined, 6,200-horsepower, 84,000-pound gross weight, Boeing 314-A type.

Cost: \$5,100,000.

Ordered: September 1939.

Contract delivery dates:

No. 1, March 1941.

No. 2, April 1941.

No. 3, May 1941.

No. 4, June 1941.

No. 5, July 1941.

No. 6, July 1941.

NOTE.—Nos. 1, 2, and 4 are expected to be delivered to Great Britain.
9 substratosphere ocean transports:

4-engined, 10,000 horsepower, 86,000-pound gross weight, type Z for 10-hour service between New York, Lisbon, or London.

Cost: \$7,800,000.

Ordered: June 1940.

Contract delivery:

Nos. 1 to 8 before or during July 1942.

No. 9, September 1942.

American Export Airlines:

3 modified Navy patrol boats:

4-engined; 4,800 horsepower; 57,500-pound prov. gross weight.

Cost: \$2,100,000.

Ordered: July 1941..

Contract delivery dates:

No. 1, October 1941.

No. 2, January 1942.

No. 3, March 1942.

UNITED STATES MARITIME COMMISSION,
Washington, March 20, 1941.

HON. JOSIAH W. BAILEY,

United States Senate, Washington, D. C.

DEAR SENATOR BAILEY: The following is the information which you have asked for in your letter of March 14, 1941: The operating-differential-subsidy figures were given you in my letter of March 14, which crossed yours in the mails, but I am repeating them here for the sake of convenience. The operating-differential subsidies paid, or accrued for payment, were as follows:

1938.....	\$1,020,094
1939.....	1,375,785
1940.....	1,681,000

The above figures do not include subsidy paid under the temporary operating-differential-subsidy agreement, which was in effect for a short period during 1937, in which was involved the settlement of the mail contracts. The actual operating subsidy paid under this temporary agreement was \$456,550.

With respect to the construction subsidy, the amounts, of course, were not paid to the ship operator in money, but are the difference between the construction cost of the vessel to the Commission and the amount for which it is sold to the operator. The figures for the Export ships are as follows:

Vessel	Domestic cost	Foreign cost	Construction subsidy	Vessel	Domestic cost	Foreign cost	Construction subsidy
Executor.....	\$2,482,889	\$1,354,433	\$1,128,456	Exchange.....	\$2,466,720	\$1,359,566	\$1,107,154
Exemplar.....	2,482,261	1,353,333	1,128,928	Exporter.....	2,451,526	1,351,022	1,100,504
Exhibitor.....	2,482,589	1,353,333	1,129,256				
Explorer.....	2,453,202	1,352,131	1,101,071	Total.....	17,275,907	9,478,700	7,797,207
Express.....	2,456,720	1,354,882	1,101,838				

With respect to the amounts in the company's reserve funds, and the form in which they are invested, the following are the facts:

Capital reserve fund:

On deposit in Commercial National Bank & Trust Co. of New York, as at Dec. 31, 1940.....	\$1, 500, 778
On deposit in same bank, as at Dec. 31, 1940, construction fund, but forming part of the company's capital-reserve fund, earmarked for down payments.....	1, 230, 000
Total capital-reserve funds.....	<u>2, 730, 778</u>

Special reserve fund:

On deposit with Commercial National Bank & Trust Co. of New York, as at Dec. 31, 1940 (cash).....	2, 314, 862
Securities (notes of airways company).....	1, 200, 000
Total on deposit.....	3, 514, 862
Deposit to be made in special reserve fund upon payment by Commission of unpaid balance of subsidy for period prior to July 31, 1940, as per General Order No. 31.....	984, 111
Deposit to be made of excess earnings on or before Apr. 1, 1941, as per General Order No. 31.....	1, 053, 177
Total of special-reserve funds accruing through Dec. 31, 1940.....	<u>5, 552, 150</u>

With reference to the creation of an air-transportation subsidiary by American Export Steamship Lines, there has been no violation so far as I am aware, of either the letter or the intent of the Merchant Marine Act. The Commission was very careful to insist that the capitalization of the airways subsidiary should be provided by funds that did not affect the capital employed in the steamship business. Perhaps you have in mind some other law, if so, it would hardly be appropriate for me to offer any comment.

Sincerely yours,

E. S. LAND, *Chairman.*



H. R. 3205

IN THE SENATE OF THE UNITED STATES

APRIL 22, 1941

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, viz:

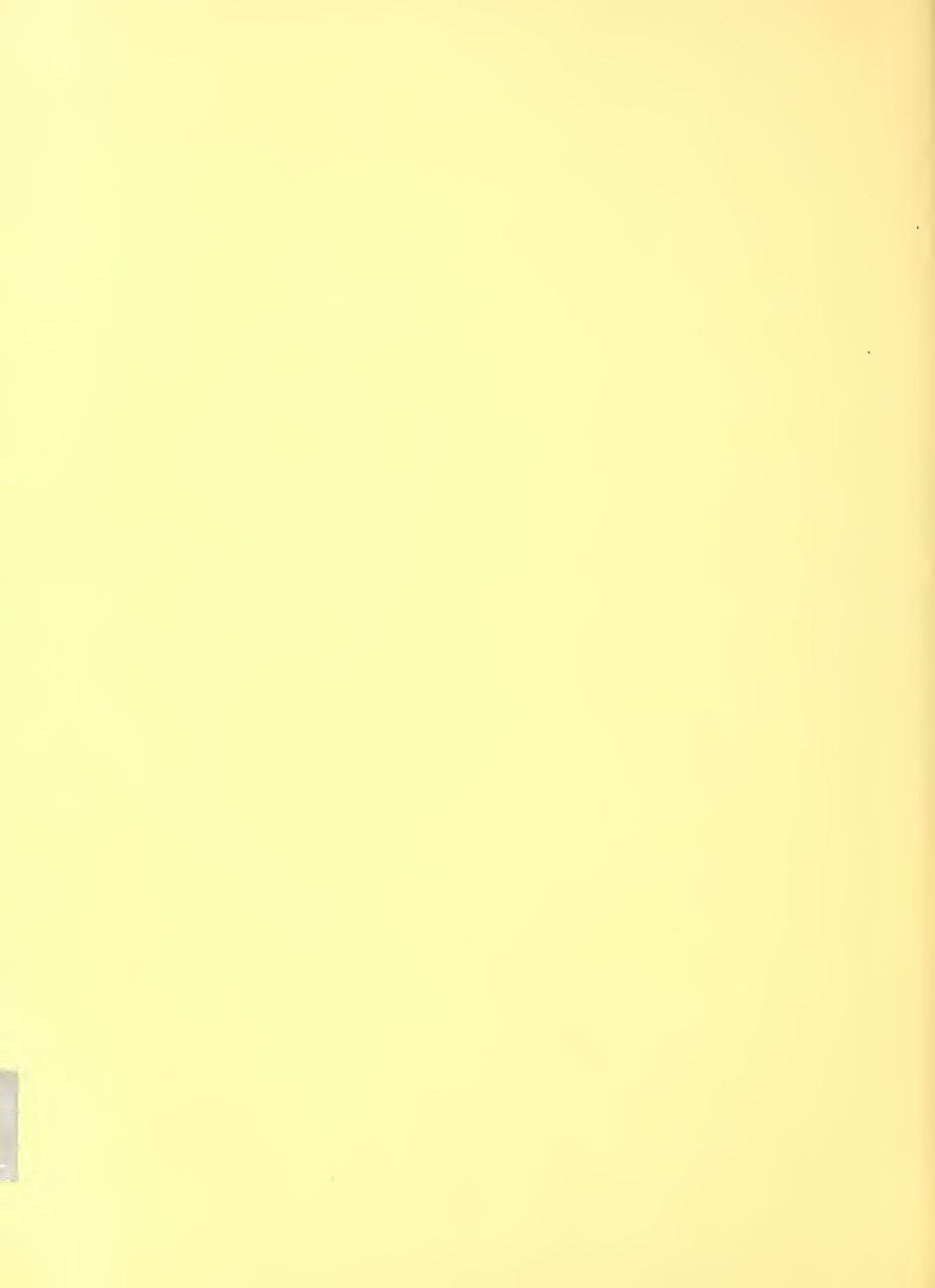
1 On page 60, line 4, before the period insert a colon and
2 the following: "*Provided*, That the Postmaster General may
3 transfer to the National Museum not to exceed 3 per centum
4 of the gross receipts of the Philatelic Agency, for the main-
5 tenance and increase of the national collection of postage
6 stamps, including purchase of specimens not already repre-
7 sented, purchase of books and periodicals necessary for ref-
8 erence, and binding: *Provided further*, That hereafter all
9 remainders of migratory-bird hunting stamps shall remain
10 on sale at the Philatelic Agency until disposed of or until
11 the Congress otherwise provides".

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

APRIL 22, 1941

Ordered to lie on the table and to be printed



read and referred to the Committee on Military Affairs.

The VICE PRESIDENT. The resolution submitted by the Senator from Michigan will be received, read, and referred as requested by him.

The resolution (S. Res. 109) was read and referred to the Committee on Military Affairs, as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation with respect to the operation and effects of the Selective Training and Service Act of 1940 with a view to determining, in the light of the experience under such act, what changes should be made in such act and in the policies relating to the procurement of personnel for the armed forces of the United States. The committee shall report to the Senate within 60 days from the date of its appointment the results of its investigation, together with its recommendations for any necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the first session of the Seventy-seventh Congress, to employ such experts and such clerical, stenographic, and other assistants; to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

INVESTIGATION RELATIVE TO MAINTENANCE OF PERMANENT PEACE AND ALSO POST-WAR ECONOMIC PROBLEMS

Mr. THOMAS of Utah submitted the following resolution (S. Res. 110), which was referred to the Committee on Foreign Relations:

Whereas intensified war efforts throughout the world tend to overshadow efforts toward the establishment of a lasting peace; and

Whereas the well-being of the people of all nations demands that increased consideration be given to the means of avoiding wars; and

Whereas it is essential that all possible information be obtained with respect to efforts being made for a lasting peace and the problems that will confront the United States and other nations when hostilities have ceased and peace is again established: Therefore be it

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of all matters pertaining to the establishment of a permanent and lasting peace throughout the world and the avoidance of future wars, the efforts that are now being made for such purposes in the United States and elsewhere, and the problems that will be involved in establishing a peacetime economy after the termination of the present conflict. The committee shall report to the Senate from time to time the results of its study and investigation, together with its recommendations for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places dur-

ing the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses, to employ clerical and other assistance, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; to make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

WINNING OF NATIONAL SAFETY AWARD BY CHATTANOOGA, TENN.

Mr. STEWART. Mr. President, at a time when the people are largely engrossed in reading about and thinking about war and rumors of war, I desire to call attention to and put into the Record a letter with reference to a significant peacetime matter having to do with a city in my State of Tennessee.

Recently, only last week, I believe, the mayor of the city of Chattanooga was present in Washington, with the mayors of many other cities of the United States, to receive what is known as the National Safety Award, which was bestowed upon the city of Chattanooga, Tenn., for the year 1940, by reason of the fact that it was considered the safest city—and the records show that it was the safest city—from the standpoint of traffic accidents and fatalities.

I ask permission to read into the Record a letter I have received from the chief of police of Chattanooga. It is as follows:

CHATTANOOGA, TENN., April 22, 1941.
Hon. TOM STEWART,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: I am happy to make the following report to you on behalf of our city, Chattanooga, Tenn., winning the National Safety Award for 1940. Our city was the safest city in the United States in the class of cities ranging in population from 100,000 to 250,000. I may outline some of the activities connected with this safety program. In 1937 Chattanooga was very high in traffic fatalities. We had 32 fatalities in 1937. In 1938 we had 26. In March 1938 we organized a traffic bureau under the direction of Lieutenant Kremel, of Evanston, Ill., who came to Chattanooga and taught traffic safety for 15 days. At that time I was placed in charge of traffic. We then installed a motor-inspection lane, which requires the car owner to have car inspected twice a year for mechanical defects. The year of 1939 we had 16 traffic fatalities comparing with 1937, which was 32. So I am very happy to say that in 1940 we had only 6 traffic fatalities and winning the National Safety Award from the National Safety Council. The Honorable Ed Bass, mayor of Chattanooga, and myself, received the plaque last night at the banquet held by the National Safety Council at the Mayflower Hotel, Washington, D. C.

With best wishes, I am
Respectfully yours,
Chief H. D. EDMONSON.

I should like further, before I take my seat, Mr. President, to call attention to the fact that Chattanooga is the second city in Tennessee to have won such an award. In 1937 the city of Memphis,

competing with more than 1,100 other cities in a contest conducted by the National Safety Council, was awarded the grand prize for excellency in public safety, not only in its own classification of from 250,000 to a half million population but in competition with all other cities, regardless of population.

I believe that such a report as that presented by the chief of police of Chattanooga is a wholesome thing in this day and at a time when we are hearing news only of war, of new methods of taking human life, and of weapons that destroy and take away rather than of efforts to preserve and continue life.

I am happy to say that some of the cities of my State have during the past few years been able to reduce automobile and traffic fatalities and accidents, and Tennessee cities have on two occasions, in fact, I believe on three occasions, received the national safety award.

ADDRESS BY THE PRESIDENT ON THE DEDICATION OF WOODROW WILSON BIRTHPLACE

[Mr. BARKLEY asked and obtained leave to have printed in the Record the address delivered by the President of the United States on May 4, 1941, in dedicating the birthplace of Woodrow Wilson, which appears in the Appendix.]

ADDRESS BY THE VICE PRESIDENT ON A DEMOCRACY OF RESPONSIBILITY

[Mr. BONE asked and obtained leave to have printed in the Record an address delivered by the Vice President of the United States, before the New York Young Democratic Club, Inc., on April 30, 1941, on the subject, A Democracy of Responsibility, which appears in the Appendix.]

ADDRESS BY SENATOR BYRD ON TAXATION AND NONDEFENSE SPENDING

[Mr. BYRD asked and obtained leave to have printed in the Record a radio address delivered by him on April 28, 1941, on the subject of new taxes, the necessity for curtailing nondefense spending, and the obstacles to the preparedness program, which appears in the Appendix.]

ADDRESS BY SENATOR SHIPSTEAD ON WAR AND PEACE

[Mr. SHIPSTEAD asked and obtained leave to have printed in the Record a radio address delivered by him on the subject of war and peace, which appears in the Appendix.]

ADDRESS BY SENATOR MEAD ON CREDIT UNIONS AID NATIONAL DEFENSE

[Mr. MEAD asked and obtained leave to have printed in the Record a radio address entitled "Credit Unions Aid National Defense," delivered by him at Washington, D. C., on May 1, 1941, which appears in the Appendix.]

ADDRESS BY SENATOR MEAD AT ORT DINNER, NEW YORK CITY

[Mr. MEAD asked and obtained leave to have printed in the Record an address delivered by him at the ORT dinner held at the Astor Hotel, New York City, on April 27, 1941, which appears in the Appendix.]

STATEMENT ON FOREIGN POLICY BY SENATOR BURTON TO OHIO FEDERATION OF REPUBLICAN WOMEN'S ORGANIZATIONS

[Mr. BURTON asked and obtained leave to have printed in the Record a statement prepared by him for the Ohio Federation of Republican Women's Organizations, entitled

"Outline of a Sound Foreign Policy for the United States," which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY AT TESTIMONIAL DINNER TO HON. VINCENT DAILEY

[Mr. MEAD asked and obtained leave to have printed in the RECORD the address delivered by Hon. James A. Farley at the testimonial dinner given to the Honorable Vincent Dailey at the Hotel Astor, New York City, on April 30, 1941, which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY AT HOLY NAME SOCIETY BREAKFAST

[Mr. MEAD asked and obtained leave to have printed in the RECORD the address delivered by Hon. James A. Farley at the annual communion and breakfast of the Holy Name Society of the New York Post Office at the Hotel Astor, New York City, on April 27, 1941, which appears in the Appendix.]

STATEMENT OF HON. ALF M. LANDON ON INVOLVEMENT IN FOREIGN WARS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a statement made at Kansas City on May 2, 1941, by Hon. Alf M. Landon, of Kansas, in introducing Senator CLARK of Missouri at a meeting sponsored by the America First Committee, which appears in the Appendix.]

ARTICLE BY SENATOR DAVIS ON NATIONAL-DEFENSE MORALE

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an article prepared by him for the Trades Union News of Philadelphia, Pa., and published in the issue of May 2, 1941, entitled "National-Defense Morale," which appears in the Appendix.]

ARTICLE BY SENATOR DAVIS ON WHEN PEACE COMES

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "When Peace Comes," prepared by Senator Davis and published in the Moose Magazine for May 1941, which appears in the Appendix.]

EDITORIAL FROM ST. JOSEPH (MO.) NEWS-PRESS ON THE PRESIDENT'S REMARKS CONCERNING COLONEL LINDBERGH

[Mr. CLARK of Missouri asked and obtained leave to have printed in the Appendix an editorial published in the St. Joseph (Mo.) News-Press of Tuesday, April 19, 1941, dealing with the President's remarks concerning Colonel Lindbergh, which appears in the Appendix.]

BRITISH CITIES AND CIVIL DEFENSE

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement, entitled "A Message From Britain on Cities and Civil Defense," published by the United States Conference of Mayors in the United States Municipal News of May 15, 1941, which appears in the Appendix.]

GERMANY'S TITLE TO POSSESSIONS OF CONQUERED NATIONS

[Mr. TRUMAN asked and obtained leave to have printed in the Appendix of the RECORD a letter from Ralph F. Lozier, published in the Washington Post of April 16, 1941, dealing with Germany's title to possessions of conquered nations, which appears in the Appendix.]

AUDITOR OF PUERTO RICO—EDITORIAL FROM PUERTO RICO WORLD JOURNAL

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an editorial from the Puerto Rico World Journal of April 28, 1941, entitled "A New Auditor," and

a statement by the Attorney General of Puerto Rico, which appear in the Appendix.]

SONG FOR "I AM AN AMERICAN DAY"

[Mr. CLARK of Idaho asked and obtained leave to have printed in the RECORD the words of the song entitled "Shout! Whichever You May Be, 'I Am an American!'" which appear in the Appendix.]

TREASURY AND POST OFFICE APPROPRIATIONS

Mr. GLASS. Mr. President, I move that the Senate proceed to the consideration of House bill 3205, the Treasury and Post Office appropriation bill.

Mr. BARKLEY. Mr. President, inasmuch as this is Calendar Monday, I suggest that the Senator should ask unanimous consent that the bill be taken up, instead of making a motion.

Mr. GLASS. I ask unanimous consent that the Senate proceed to the consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. TYDINGS. Mr. President, I have no intention of objecting, but I should like to present to the Senator from Virginia a situation which I hope he will take into consideration.

There are a number of Senators who have made engagements to be absent from Washington today who are on the committee which considered the bill. They asked me, as one of the several Senators who were likely to speak on the bill, to ask the Senator from Virginia, in charge of the bill, if the item in controversy, namely, the air-mail provision on page 51, could not go over for decision and vote until tomorrow. I have no reason for wanting it to go over except to keep faith with Senators who have been forced to be absent today to keep engagements. I think we could dispose of practically everything that is controversial except this one matter, and at some time tomorrow could reach a decision on that item.

Mr. GLASS. Mr. President, I do not know of any special controversial item in the bill except the one referred to by the Senator from Maryland. I have no objection to the vote on that item, being postponed until tomorrow, but I think we should consider the bill immediately, and let members of the committee speak again, for they did more speaking and more testifying than the witnesses whom we called from the respective companies.

Mr. TYDINGS. I shall not object to the unanimous-consent request, provided there is not to be a vote today upon the air-mail amendment.

Mr. GLASS. I shall not insist upon a vote.

Mr. TYDINGS. May I offer as an amendment to the unanimous-consent request of the Senator from Virginia the words "provided that there shall be no vote on the air-mail amendment on page 51 before tomorrow?"

Mr. GLASS. Mr. President, I think my assurance that I will not press that item should be sufficient for the Senator from Maryland.

Mr. TYDINGS. The Senator is only one of 95 Senators, and obviously his assurance cannot bind the whole Senate.

Mr. BARKLEY. I thought we had an understanding last week that the suggestion of the Senator from Maryland would be carried out. I know it was discussed on the floor, and no one objected to that program.

Mr. TYDINGS. I desire to say to the Senator from Virginia that I do not doubt his word in the slightest, but he cannot bind the Senate any more than I can, and my request was in very good order, and was made for the particular reason to which I have referred.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia, as modified by the Senator from Maryland?

There being no objection, the Senate proceeded to consider the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. GLASS. Mr. President, I ask that the formal reading of the bill be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GLASS. I ask unanimous consent that committee amendments be first considered and disposed of.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HAYDEN obtained the floor.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Murdoch
Aiken	George	Murray
Andrews	Gerry	Norris
Austin	Gillette	O'Mahoney
Bailey	Glass	Overton
Ball	Green	Pepper
Bankhead	Guffy	Reynolds
Barkley	Gurney	Russell
Bilbo	Hatch	Schwartz
Bone	Hayden	Shipstead
Brewster	Herring	Smathers
Brooks	Hill	Smith
Brown	Holman	Spencer
Bulow	Hughes	Stewart
Bunker	Johnson Calif.	Taft
Burton	Johnson, Colo.	Thomas, Idaho
Butler	Kilgore	Thomas, Okla.
Byrd	La Follette	Tobey
Byrnes	Langer	Truman
Capper	Lee	Tunnell
Caraway	Lodge	Tydings
Chavez	Lucas	Vandenberg
Clark, Idaho	McCarran	Van Nuys
Connally	McFarland	Wallgren
Danaher	McNary	Wiley
Davis	Maloney	Willis
Downey	Mead	

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is unavoidably detained.

Mr. HILL. I announce that the Senator from Mississippi [Mr. HARRISON], the Senator from Tennessee [Mr. McKELLAR], and the Senator from New York [Mr. WAGNER] are absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Missouri [Mr. CLARK], the Senator from Montana [Mr. WHEELER], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The Senator from Utah [Mr. THOMAS] is absent attending a meeting of the board of directors of the Columbia Institution for the Deaf.

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

Mr. HAYDEN. Mr. President, the only controversial item in the bill is an appropriation of \$800,000, found on page 51 of the bill, wherein the amount appropriated by the House amounting to \$15,477,831 for foreign air-mail transportation is increased to \$16,693,831. That increase is earmarked by the committee's report for two purposes: To pay \$416,000 to the Pan American Airways for an additional flight each week across the Atlantic, and \$800,000 to the American Export Airlines for a like service. If the Senate is interested, I should like to take a few minutes to state just the essence of the controversy, the vote to take place tomorrow.

I wish to state, first, that every agency of the Government having jurisdiction or a direct interest in the development of ocean airway transportation favors this appropriation. The Civil Aeronautics Board has issued a certificate of convenience and necessity to the American Export Airlines, Inc., certifying that additional service between New York and Lisbon by a competitor is required, and that the American Export Airlines is fit, willing, and able to perform this service.

By law the President of the United States is required to pass upon all such certificates, and when this matter was passed on to the President by the Civil Aeronautics Board, the President referred the matter to other departments of the Government, particularly the State Department, the War Department, and the Navy Department, and upon their advice he approved the certificate on the 15th of July last year.

The Post Office Department then took the matter up, and after careful investigation determined that the volume of trans-Atlantic mail is now sufficient to justify additional trans-Atlantic plane service, and we are proposing to appropriate for four trips by Pan American Airways, and for one additional trip by the American Export Airlines. Having made that finding, the Post Office Department submitted the matter to the Bureau of the Budget, and the Budget estimate was approved for the necessary amount of money. In transmitting that estimate to Congress the President has, for a second time, approved this proposal.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ADAMS. Will the Senator clarify a question that is in my mind? As I understand, the present service of the Pan American Airways is three trips a week.

Mr. HAYDEN. That is correct.

Mr. ADAMS. The bill adds another trip by the Pan American Airways, and adds one trip a week by the American Export Airlines?

Mr. HAYDEN. Yes; so there will be five trips a week between New York and Lisbon.

Mr. BARKLEY. Is that five round trips?

Mr. HAYDEN. Yes. The finding of the Post Office Department is that there is a backlog of passengers which justifies this increase, and that there is an ample amount of mail to justify it, as the amount of mail crossing the ocean by this means is increasing. So there is no question about there being sufficient business for the two lines to undertake this work. The War Department and the Navy Department both were consulted and both approved it. They do it for a sound national-defense reason. No one knows what the future may have in store for us, and to have more organizations in this country which are capable of flying the ocean, and to have more men trained to fly the ocean, is obviously in the interest of national defense.

The Civil Aeronautics Authority in its findings made this statement on that point, which I believe is quite important:

It appears that competition by applicant would induce the use of different types of equipment, and would make use of the facilities of a greater number of our manufacturers, thereby affording the War and Navy Departments valuable data concerning additional types of equipment. It would mean the training of additional American supervisory and operations personnel, and would provide an incentive to the development of new and different operating techniques.

That finding was made in the testimony of the War and Navy Departments.

The State Department is of record in the hearings, by the appearance of Assistant Secretary Berle, as earnestly urging that this appropriation be made. I should like to read to the Senate a brief statement or two by the Assistant Secretary of State in support of this appropriation. He states:

The State Department, the War Department, the Navy Department, and the Postmaster General recently held a meeting to determine what the position ought to be at this time. The unanimous conclusion of those Departments seemed to be that it would be well if you made it possible at least for an independent company to operate until such time as a really full-dress determination of policy were finally made by the Congress.

By "full-dress determination of policy" he meant whether the trans-Atlantic or transocean mail carrying should be in the hands of a monopoly or whether there should be competition.

He further states:

The question raised here is whether we really wish one company to have a world-wide monopoly. This question we still prefer to keep open until the Congress finally disposes of it. That is really our feeling in the matter. We feel that it is of very great importance; we can hardly overstress that. We are impressed with the probability that if by accident this Government slips into a monopoly situation, it will be very difficult to change. You might wish to create that situation consciously and with full protection, but it is a matter that would have to be so created by a definite policy of the United States Congress; and presumably the Congress would want to do that after careful consideration, because that would be a radical departure from the usual American policy.

That it is a radical departure from the usual policy I can very quickly demonstrate by reading from the Civil Aero-

navics Act of June 23, 1938. Section 2 of that act declared the policy to be:

In the exercise and performance of its powers and duties under this act, the Authority shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity—

(d) Competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

So it is the announced policy of Congress that the Board shall encourage competition wherever it is possible to do so.

Mr. Berle made another very interesting statement in this connection. He said:

I think probably if this attempt to create another international air company fails it will be a very long time before anyone tackles it again. It is perfectly possible to eliminate a competing airline without trouble if you want to do that. Meanwhile, we do need the service.

And again he said:

In advocating the making of the appropriation we were holding open the larger policy question. If you do not make the appropriation, then—equally—you are taking sides in a matter. It seems to me, if you make the appropriation you hold open the question of the determination of policy long enough to have an orderly and rather thoroughgoing determination of the entire picture.

I should like to inquire now, Mr. President, who is opposing this appropriation?

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. ELLENDER. Before proceeding into that matter, I wish to say that I have before me the minority views in the matter, and I notice, on page 2 of the minority report, it is said that the Pan American Airways, if given the opportunity, would add one or more ships to the service, for which the cost to the Government would be \$9,000 each, whereas if it is given to the American Export Airlines the cost will be \$29,418 for each ship. Will the Senator explain that?

Mr. HAYDEN. Yes. The proposal is not to pay \$29,418 per trip but \$21,000. What the Pan American Airways proposes to do is to charge all its overhead to the previous three weekly flights and then make a cheap rate for one fourth flight.

Mr. ELLENDER. But the cost to the Government would be about \$9,000, and that is what we are interested in, in contrast to \$29,000.

Mr. HAYDEN. I am trying to tell the Senator how the Pan American Airways can do it that way. They charge all of their overhead to the previous high-priced flights. Their first flight cost the Government more than this new company proposes to receive for its first flight. But we asked the Army and Navy directly whether that difference in cost was advisable, whether it would not be an advantage to the Government to pay a little more to get a new company into the business, and their answer was "Yes"; and that when we are spending

billions of dollars for national defense, and when we cannot tell what is going to happen in the world, it is worth the difference between what is paid per trip to have another organization in this country engaged in transoceanic mail activities.

We will have new men thinking about the matter; new men will be employed to fly the ocean, and, if we should become involved in any kind of trouble, we would have their expert advice and assistance. That it is worth the money, from the point of view of national defense, is the testimony of the Army and Navy, even though it costs a little more.

Mr. ELLENDER. Would it actually cost as much more as is indicated in the views of the minority?

Mr. HAYDEN. No; the proposal is to pay \$21,000 rather than \$29,418.

Mr. ELLENDER. Has the Senator any information to give to us as to how much more it will cost if we permit the American Export Airlines to establish this service, rather than the Pan American Airways?

Mr. HAYDEN. For the particular trip it would cost the difference between \$9,000 and \$21,000. On the face of it, that is shown. But the contention of the War Department and the Navy Department is that it would be worth the difference to have in this country another organization engaged in this activity if we should get into trouble.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HOLMAN. In speaking of competition, does the Senator make any distinction between regulated competition and free competition?

Mr. HAYDEN. There is no regulation of any foreign competition. Any American shipping company which sends ships to various parts of the world must compete with foreigners. There is no attempt on the part of the Maritime Commission to regulate foreign shipping rates. The same thing is true of air rates. I never heard of any country putting any regulation upon what its air carriers should charge in flying to a foreign country. Competition with foreign air lines is supposed to govern the rates.

Mr. HOLMAN. I doubt if the Senator understood the purport of my question. To my mind there is a distinction between free and open competition and regulated competition. As I understand, all that would be accomplished by the bill would be merely a division between two companies seeking the available business. The public would not benefit in any way whatsoever from improved service or reduced rates.

Mr. HAYDEN. Competition produces better service.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I do not wish to interrupt, but I think it is only fair to point out, in further answer to the question raised by the Senator from Louisiana [Mr. ELLENDER], that the planes of the Pan American Co. go faster and carry more passengers than do the planes of the American Export Airlines. The Pan

American planes fly at a cost of \$9,000 a trip, as against an estimate of \$21,000 a trip for the planes of the other company. However, the \$9,000 Pan American plane goes more quickly and carries a greater load. So, from the standpoint of every consideration of service, the cheaper plane renders the greater service.

Mr. HAYDEN. The Army and Navy look at the other side. The planes which are to be used by Pan American are primarily based upon an Army design. They are land planes. The exceedingly fast new planes which have been discussed, and which are capable of flying from New York to London in 10 hours, are land planes. I have no doubt that "gadgets" could be attached to them so that if they should land on the water the passengers would be safe; but the planes could never rise from the water. On the other hand, the design of the American Export Line carrier is based upon a naval plane, which is designed to land on the water and rise from the water. We go to one set of designers for one kind of a plane and to another set of designers for another type. We go to one manufacturer to make one kind of plane and to another manufacturer to make another kind. There is competition in design and competition in the planes themselves. The planes we are now talking about are not the latest word in planes. There will still be improvements. It is advantageous to have in this country more than one firm or corporation engaged in the business, so that there may be competition in improvement.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WILEY. In connection with the Senator's remarks, he used the word "monopoly." I have just been examining the minority report. Some time ago we had a discussion on the floor by the Senator from Wyoming [Mr. O'MAHONEY]. In that connection it seems to me it is brought out in the minority report that at this time the American Export Steamship Lines have practically a monopoly on conveying passengers between America and Europe. Is that correct?

Mr. HAYDEN. Yes. That is because of the war.

Mr. WILEY. They are essentially a steamship line, I take it?

Mr. HAYDEN. That is true.

Mr. WILEY. The purpose of the amendment is to broaden their scope, not only as bankers but as carriers of passengers in steamships, and to put them into the additional field of competing with the Pan American Line. Is that true?

Mr. HAYDEN. Yes.

Mr. WILEY. One further question. Is it not true that in normal times we have competition from French, English, and German airships coming to America?

Mr. HAYDEN. Certainly.

Mr. WILEY. Still the Government is of the opinion that at this time we must interject another American line into the picture.

Mr. HAYDEN. It is felt that it is advantageous to the Government to do so. That is the finding of everyone connected with the American Government having

any authority to pass upon the question. There is one agency which I have not mentioned to which this matter was not referred when the certificate of convenience and necessity was issued. I refer to the Maritime Commission. The United States Maritime Commission made an economic survey of the American merchant marine. Let me read from the report:

The addition of aircraft to the fleets of shipping companies now seems to be justified. Just as sail gave way to steam, so may the steamship give way to aircraft for fast express service. The oceangoing flying boat or dirigible is really another vessel—a much faster vessel and one that is likely to be cheaper to operate. Not to make use of this new kind of equipment may prove shortsighted to express shipping companies.

Further—

There is a belief among shipping men that one American company has acquired a practical monopoly of transoceanic flying. This has not been established. Due to its being first in the field, this company was able to negotiate many "air rights" agreements with foreign governments. These agreements, however, will probably be supplanted by treaties between our Government and the various foreign nations, so that America's foreign air-trade field may properly be opened to all of our citizens.

The Maritime Commission thinks that it is entirely proper for a steamship company to be interested in air lines and that there is no conflict of interest in the matter.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BAILEY. Whatever the Maritime Commission may say—and what it said in the report was probably a matter of opinion—there is, as a matter of fact, a conflict of interest between shipping lines and air lines. They are in direct competition. If we turn over to shipping lines the carrying of the mail, we shall not have any air lines; the shipping lines will preempt the field. I think it is almost analogous to turning over truck transportation to the railroads. We can have one if we wish, but we cannot have both. The amendment is a proposal to subsidize not only a shipping line, but a banking house. Lehman Eros.

Mr. HAYDEN. Admiral Land, Chairman of the Maritime Commission, is on record as saying that there will be no violation of either the intent or the letter of the Merchant Marine Act of 1936 if this appropriation is made and the proposal is carried out.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I should like to complete my reply to the Senator from Wisconsin.

Mr. TYDINGS. The Senator does not wish to leave the Senate under the impression that Admiral Land favors a departure from the air-mail situation which we have been discussing. Admiral Land said before our committee—and if the Senator wishes, I can read the exact words—that, so far as he was concerned, in the international field, where American lines must compete with foreign lines, his own opinion and the opinion which he would recommend was that there

should be only one American line running from the United States to a foreign port. To have two American lines running to a foreign port, competing with each other, against one foreign line competing with nobody coming from the other end, would be inadvisable. Admiral Land strongly opposed it, and so told the committee in the hearings on the bill.

Mr. HAYDEN. Nobody connected with the Government of the United States has advocated anything else as a permanent policy. The policy of the Government now is to do with the air lines exactly what we do with the steamship companies, that is, to grant a monopoly so far as postal subsidies are concerned to a particular line in a particular area. One steamship company has a monopoly with respect to mail pay across the North Atlantic, another to the Mediterranean, another to the east coast of South America, another to the west coast of South America, and another across the Pacific. It may last just as long as Mr. Hitler makes up his mind to stay out of Spain and Portugal, and this whole problem will be wiped out whenever he goes down there. But it is conceded and demonstrated that there is enough business for five trips a week across the Atlantic, four of which will be made by Pan American, and one by the Export Company, as a temporary matter only. When the trouble in Europe is over, Pan American Airways will go back to the route that was granted to it across the North Atlantic. There can be another air route to the Mediterranean, just as there is in shipping; there can be one to South America, and one to Asia; and the territory can be divided up.

I desire to make this one point only, and then conclude: Every governmental agency that has considered this matter favors this appropriation, and no one opposes it except the Pan American Airways. That is the only evidence of opposition there is before the House or the Senate.

If there is to be a monopoly, I want to see Juan Terry Trippe, who is the president of Pan American Airways, at the head of it. He is a very remarkable man. He was a World War aviator. He, and a few others like him, gathered up some old flying "crates" and began the business of carrying passengers between Key West and Habana. He talked people out of money. He talked governments out of concessions. He has expanded this enterprise until it extends across the Pacific as far as Hong Kong and Singapore. It extends across the Atlantic now, and all over South America. He is a very able man; and if we are to have a monopoly, he ought to be at the head of it. But that is the whole question: Do we want, by this indirect method, by denying an appropriation, to establish a monopoly? That is exactly what will happen if we deny the appropriation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. For the Record, if the Senator will be kind enough to permit

me to do so, I should like to read two short paragraphs from the statement of Admiral Land touching on this point. I have not the first paragraph, but the second one is as follows:

Mr. HAYDEN. From what page is the Senator reading?

Mr. TYDINGS. From page 105:

Admiral LAND. Well, I gave you my heart's blood on my ideas of monopoly on sea transportation very definitely and very positively; that foreign flags will always give American flag operators all the competition they want and more than they can stand, so, therefore, I consider that in normal times foreign airline operators will always give American air operators all the competition they can stand, and more, and these United States, on the basis of standard of living, will have to subsidize that form of transportation not only now but also indefinitely in the future.

Senator TYDINGS. In order to survive?

Admiral LAND. In order to survive.

Senator TYDINGS. Now, Admiral, I do not want to put words into your mouth, but in order to retain what I have in my mind, I think what we all get from your testimony is that we ought to have a policy which is calculated to permit the American lines, whether they are on the sea or in the air, to exist in competition with foreign lines.

Admiral LAND. That is correct; that is my theory.

Mr. HAYDEN. And then the admiral said:

* * * I want you gentlemen to know that I am speaking as Jerry Land on that, and not as the Maritime Commission.

The Senator from Massachusetts [Mr. LODGE] said:

Admiral, speaking in either capacity, is it not also true that in abnormal times when there is no foreign competition, it might be—I do not say it is—perfectly justifiable to have a policy for that period which you could then change when normal conditions resume?

And Admiral Land replied:

Yes.

Senator LODGE. And the fact that you are considering bringing about competition for the American Export Lines is proof of that possibility?

What I am trying to say to the Members of the Senate is that the certificate of convenience and necessity issued to the American Export Airlines is for this emergency only. It is temporary, and it is to meet a condition whereby our air communication with Europe is concentrated at the port of Lisbon, in Portugal. No other port is open, and there is business enough there for all. Immediately the situation changes in Europe, the Senate and the House of Representatives can pass upon the question of whether or not there shall be a monopoly.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BARKLEY. What is the life of the certificate of convenience and necessity?

Mr. HAYDEN. It is temporary; that is all.

Mr. BARKLEY. Does it have to be renewed from time to time?

Mr. HAYDEN. No.

Mr. BARKLEY. Is there a particular, specified length of time during which it shall run?

Mr. HAYDEN. No; it reads "temporary"; that is the only word used. Apparently it is granted on this basis:

A certificate of public convenience and necessity authorizing it, subject to the provisions of said certificate, to engage in temporary air transportation with respect to persons, property, and mail between the terminal point New York, N. Y., and the terminal point Lisbon, Portugal.

And then, again:

A certificate of public convenience and necessity authorizing it, subject to the provisions of said certificate, to engage in temporary air transportation with respect to property and mail between the terminal point New York, N. Y., the intermediate point Horta, the Azores, and the terminal point Lisbon.

The testimony before the committee is that the term "temporary" means during the existing war in Europe, when everything is out of joint, and that as soon as normal conditions are resumed this whole matter will be reviewed by the Civil Aeronautics Board.

Mr. BARKLEY. Let me ask another question. The Senator may have answered it in stating that there is a monopoly in certain shipping routes with respect to mail. Does the Senator mean that during normal times prior to the war, when the American Export Steamship Co. operated a fleet of vessels into the Mediterranean and back, it competed with other ships? There were other ships carrying passengers and freight into the Mediterranean; but was the American Export Line the only one that had a mail contract with the Post Office Department?

Mr. HAYDEN. It was the only one that had a mail contract to carry mail east and west across the Atlantic to certain ports. There was a round-the-world line, the old Dollar Line, now known as the President Line, that went through the Suez Canal and picked up some mail at Genoa and at Marseilles and at some Spanish ports; but the American Export Lines was the only United States line that had an absolute monopoly so far as carrying United States mails across the Atlantic to Portugal was concerned.

Mr. BARKLEY. Getting back to the Mediterranean, no other ships carried mail, or at least they got no subsidy?

Mr. HAYDEN. They got no subsidy from the United States. There was another line that went into the Mediterranean, but only one subsidy was paid or recommended by the Maritime Commission.

Mr. BARKLEY. The Italian Line carried mail from Italy to the United States.

Mr. HAYDEN. But it received no American subsidy.

Mr. BARKLEY. It received the regular postage.

Mr. HAYDEN. There was another American line that visited the Mediterranean, but it received no subsidy.

Mr. BARKLEY. This is what I have in mind: Ordinarily I have great sympathy with the position that one form of transportation ought not be given the right to control another form of transportation, and when this matter first was discussed I thought of it along that

line. The Senator from Arizona and I recall, however, that when the Senate passed the bus and truck bill, which is now the law, we authorized the railroads to own and operate, in certain instances, busses and trucks.

Mr. HAYDEN. That is true.

Mr. BARKLEY. And now they are operating them. So I wondered whether there is any analogy between what we have already done with respect to railroads and trucks and busses and what is proposed here as between the American Export Steamship Co. and the American Export Airlines. Is there any analogy between the mother company, the steamship company, and this air line, and the railroads and busses and trucks?

Mr. HAYDEN. If there is, it is a case of the pot calling the kettle black.

Mr. BARKLEY. In other words, if we have done it in the case of one particular form of transportation, is that a good reason why we should or should not do it in another case?

Mr. HAYDEN. The Maritime Commission found that there was no reason why it should not be done.

Mr. TYDINGS. Mr. President, will the Senator yield there?

Mr. HAYDEN. Yes.

Mr. TYDINGS. Let me point out to the Senator from Kentucky that the American Export Lines had a monopoly between the United States and Lisbon. That is the concern that is now asking for authority to go into the air as well.

Let me give the Senator this point of view: There was a time when the United States Lines wanted to operate on the American Export Lines' route in order to bring back passengers. Before they were allowed to operate on that route the American Export Lines made the United States Lines pay them some \$400,000 for the privilege of operating back and forth on their route over the ocean. I submit that if they collected it because some other American line operated over the route of their own sea-borne monopoly it does not lie in their mouth to come in and complain about somebody else's monopoly, particularly when the company having that monopoly is not charging them anything.

Mr. BARKLEY. I am not particularly impressed by anyone's desire for monopoly.

Mr. TYDINGS. Neither am I.

Mr. BARKLEY. As a matter of fact, I am opposed to monopolies; and it is inconceivable to me that the time will not come when it will be necessary to have more than one air line to carry mail across the Atlantic Ocean as well as more than one steamship line to carry mail and passengers.

Mr. HAYDEN. Right there the Senator comes to the very crux of this situation. Mr. Trippe appeared before our committee and very frankly stated that there should be but one company handling all transoceanic flights from the United States—only one.

He very persuasively cited the experience of England, France, Germany, Italy, and, altogether, of 26 countries of the world, many of which tried having air

lines fly to different sections of the world, just as we do with our ships; but he said that the foreign competition was such that they all were compelled to support one air-mail monopoly. He therefore argued, that being the case, that we should not even try the experiment of competition, that we should now give him the monopoly. All the authorities of the Government that have considered this question have decided that there should be some competition across the Atlantic, and therefore the only way Mr. Trippe can accomplish his monopolistic purpose is to defeat this appropriation.

Mr. BARKLEY. Mr. President, may I ask the Senator a question there?

Mr. HAYDEN. Certainly.

Mr. BARKLEY. Did the Senator understand, and am I to understand, if this new line had no connection whatever with the American Export Steamship Co.—suppose it were called the Hayden-Barkley Air Line and had no connection whatever with the steamship company in question or any other steamship company—that the Pan American Airways would still oppose granting any company, whether independent or not, the right to carry mail?

Mr. HAYDEN. There is no question about it at all. Mr. Trippe was very frank on that point. His testimony covers a number of pages in the record. He is smart enough to know, if I may be permitted to say so, that if the Pan American Airways have sufficient influence with the Congress of the United States to prevent this appropriation being made at this time he will not be bothered with any competition for a long time to come.

Mr. BONE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BONE. I should like to have the Senator tell me how much the Government pays the Pan American concern for hauling the mail?

Mr. HAYDEN. Altogether the Pan American concern is receiving by way of subsidy from the Government about \$87,000,000.

Mr. O'MAHONEY. Mr. President, will the Senator from Arizona yield to me on that point?

Mr. HAYDEN. Yes. I think the Senator from Wyoming, perhaps, has the figures.

Mr. BONE. I am interested in the rate per pound for hauling this mail. What is paid for that?

Mr. HAYDEN. The company is paid for the first trip about \$21,600, carrying a basic load of 1,600 pounds of mail across the Atlantic. If there is more than 1,600 pounds, they get \$4 a pound on top of that, and on one very heavy load on December 18, 1940, the total income for the trip was between \$60,000 and \$70,000.

Mr. BONE. Is this payment intended to bear any relation whatever to the operating cost of the company or is it intended as a sort of gift or lagniappe of some sort? We had one very smelly mess growing out of such a transaction.

Mr. HAYDEN. The company could not operate successfully unless it was

paid for this service, and the Federal Government acquires very substantial revenues from the postage paid, so it is not entirely a gift.

Mr. BONE. I understand that; but I am wondering if what the Government is paying is more than enough to offset the cost and is really intended to cover the expense of the line and afford them a profit.

Mr. HAYDEN. I think the Senator from Wyoming perhaps may be able to answer the question better than I can.

Mr. O'MAHONEY. The figures I have are a complete answer to the Senator's question and illuminate this case as well as one could expect. During the period ending December 1940 the Pan American Airways received from the United States, directly and through its subsidiaries and associated lines, the sum of \$90,335,928.44. That is a subsidy. In the same period the total passenger revenue of these lines was \$36,213,500, and the total express revenue was \$2,812,400. The fact of the matter is that the Pan American could not operate without the air-mail subsidy. It is a frank subsidy. It is given by the people of the United States in order to maintain the line. To me, one of the most extraordinary features about this contest which has reverberated from one end of the Capitol to the other is that a great organization which has been the beneficiary of the largess of the Government of the United States should be undertaking to prevent the Government of the United States from permitting another line to operate.

Mr. HAYDEN. The reason for that is very simple. The only line, American Export Airlines, started about 4 years ago with the idea that they might fly the Atlantic. They made experimental flights; they hired the best talent they could; they contracted for ships; they have spent between two and three million dollars up to now, and they have contracts for ships involving a couple of million dollars more. After obtaining a certificate of convenience and necessity, after having the proper agencies of the Government pass on it and give them the "go" sign, the green light, the last step ordinarily would be merely the routine matter of an appropriation to pay their share of the air-mail cost. If the Congress refuses to make the appropriation, will there ever be another company which would attempt this venture? As a business proposition, if this company were turned down by Congress through the influence of the Pan American Airways, can any Senator conceive of another group of American citizens, perhaps not connected with a steamship company, going to all the trouble and all the expense of spending 3 or 4 years' time and a couple of million dollars on such an undertaking, and then, at the last moment running the risk of having Congress knock them out? No other company will start such a program, and that is what Mr. Trippe is smart enough to know. If this appropriation is killed, he has a monopoly which cannot be broken.

Mr. BARKLEY. Mr. President, may I ask the Senator a question in connection with that suggestion?

Mr. TYDINGS. Mr. President, will the Senator yield to me? I have been trying to get the floor for some time.

The VICE PRESIDENT. To whom does the Senator from Arizona yield?

Mr. HAYDEN. I yield first to the Senator from Maryland.

Mr. TYDINGS. The Senator from Wyoming and the Senator from Arizona both know that the Post Office Department, testifying before the Appropriations Committee, said that the revenue from the sale of air-mail stamps was larger than the subsidy. So why make it appear as if no service was being rendered by the company?

Mr. HAYDEN. I made no such statement.

Mr. TYDINGS. As a matter of fact, the Government is making money on the Pan-American service. It is not giving the Pan American anything by way of a subsidy for which Pan American does not render service. It is like the Senator from Arizona, who represents his State and draws his salary as a Senator but renders full service. From the Pan American more money comes into the Treasury, because of the service of that company, than goes out of the Treasury to pay for the service. Further than that, let me say that Mr. Trippe, in testifying before the committee, objected to the competition of another American concern on this particular line, that is one thing. Let the Export Airline go into some other service where an American concern is not now operating.

Mr. HAYDEN. Where is that other service? There is not any.

Mr. TYDINGS. In my opinion, it is not likely, by the time this appropriation becomes effective, that any air line will be running to Europe.

If that is the nebulous condition of Mr. Trippe's investment up to the present time after pioneering in this field, if he is going to have it for only 2 or 3 months and then lose it all, that is another reason why he ought to have a fair deal.

Mr. HAYDEN. The advantage that Mr. Trippe has and that another company does not have is shown, for example, in the air-mail service conducted by the Pan American which was extended from Manila to Singapore. In order to do that they had to reduce the service to Hong Kong. So they have a very widespread network on which they can use their equipment and airships which it may be necessary to take off other discontinued lines. This method reduces overhead and operations costs.

Mr. TYDINGS. Yes; but why leave the Senate under the impression when the Senator from Wyoming states the imposing figure \$90,000,000, that the Pan American does nothing for it, as if we do not sell air-mail stamps for which the public pay and which, in turn, pay the subsidy? The impression left by the Senator from Wyoming was that Pan American gets \$90,000,000 and does absolutely nothing for it, and does not put a dollar into the Treasury.

Mr. BARKLEY. Mr. President—

Mr. O'MAHONEY. Mr. President, will the Senator from Arizona yield to me?

The VICE PRESIDENT. To whom does the Senator from Arizona yield?

Mr. HAYDEN. I yield first to the Senator from Kentucky.

Mr. BARKLEY. I want to ask the Senator from Wyoming if he has the figures showing the receipts of the Post Office Department for air-mail stamps over the route for which the Government is paying \$90,000,000?

Mr. O'MAHONEY. I do not have those figures; they may be in the RECORD, but the obvious answer to the Senator from Maryland is that the Post Office Department is operating at a deficit.

Mr. TYDINGS. Not on this line.

Mr. O'MAHONEY. If it be true that the income from all the air-mail stamps is greater than the outgo, then one of two things should be done: Either the rate of air-mail postage should be reduced so that the public would not have to pay the excess amount, or a rate should be maintained where it is so as to operate to cut down the postal deficit.

Mr. BONE and Mr. TYDINGS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arizona yield, and, if so, to whom?

Mr. HAYDEN. I yield first to the Senator from Washington.

Mr. BONE. Mr. President, I have not had the privilege of reading the record to which reference has been made; but I should like to ask the Senator from Arizona or the Senator from Maryland, if he knows, how much investment the Pan American Lines have in airships on this route.

Mr. TYDINGS. I shall be delighted to answer that question.

Mr. BONE. Will the Senator from Arizona permit that to be done?

Mr. HAYDEN. Yes.

Mr. TYDINGS. Tomorrow I shall put in the RECORD all those figures. For the moment, let me say that the Senator from Wyoming [Mr. O'MAHONEY], who rose here with all the atmosphere of Webster and enunciated the \$90,000,000 figure as so much cost to the American Government, now says in his own words that he was mistaken, because it is not so, and we ought to reduce the rates, because it is not necessary to charge that much in order to carry the mail.

Mr. O'MAHONEY. Mr. President, the Senator from Maryland is quite an artist in twisting the issue. No such statement at all was made by the Senator from Wyoming, and no such admission, as the Senator very well knows. The Pan American Airways Co. has received as a gift, a subsidy from the Government of the United States, \$90,000,000.

Mr. HAYDEN. And without that subsidy it could not have existed; and neither can the other air line cross the Atlantic without having some compensation for carrying the mail.

I wish to conclude my remarks by trying to impress upon the Senate the fact that there is involved in this issue a large question, a very profound question of public policy. Do we want to have a complete monopoly in the hands of one company for the transportation of all overseas mail from the United States to all parts of the world? That is what

the Pan American Airways wants. That is what its president very frankly says he wants. He says it is the proper thing to do, based upon the experience of other governments. The State Department, the Post Office Department, the Civil Aeronautics Authority, and every other agency of Government having anything to do with this matter, say that that is not our way of doing things; that we believe there should be various air-mail lines to various parts of the world, with monopolies over the particular lines, but that the whole business should not be in the hands of one company.

Unfortunately, we are compelled to decide that question on an appropriation bill. The place where the question should be considered is before the Senate Committee on Commerce, presided over by my good friend from North Carolina [Mr. BAILEY], and a like committee in the House of Representatives. If we allow this smaller company to engage in the business, and the Committee on Commerce and the Senate ultimately decide in favor of monopoly, it will be easy enough to consolidate the various competing companies and get them out of the way; but if they are never allowed to start, we shall have a monopoly without any due consideration whatever. It is my judgment and the judgment of all those who have passed upon this question in any official manner that the way to keep the door open is to allow some competition at a point where competition can take place without injury to the other party; and that is exactly the situation here.

Mr. BONE and Mr. CHAVEZ addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arizona yield; and, if so, to whom?

Mr. HAYDEN. I yield first to the Senator from Washington.

Mr. BONE. Mr. President, my reason for asking about the investment was to ascertain how many planes this outfit have in service. Is the number three or four?

Mr. HAYDEN. They have enough planes, not extra good planes, at the moment.

Mr. BONE. I am talking about the Pan American concern. What do their planes cost?

Mr. HAYDEN. I have no idea. They are buying some new Boeing planes. They contracted for six of them, because the planes they have in operation now are not capable of flying the Atlantic non-stop.

Mr. BONE. Do those planes cost in excess of a million dollars apiece? Suppose they have five or six of them? That is a five- or six-million-dollar investment. Does that involve an expenditure of \$90,000,000 a year?

Mr. HAYDEN. Oh, no; that is not a fair comparison.

Mr. BONE. I am taking the over-all figure. I have no feeling one way or the other about the matter.

Mr. TYDINGS. Does the Senator want the exact cost of the planes?

Mr. BONE. Yes. I desire to know whether we want to save money or whether we are merely trying to make

the Government an agency to collect the money and turn it over to this company. If we want to save money, we ought to buy these planes for a certain amount and pay the \$90,000,000 into the United States Treasury.

Mr. BAILEY. It goes into the Treasury now.

Mr. BONE. It goes into the Treasury and goes right out again. I am talking about putting money into the Treasury and keeping it there.

Mr. TYDINGS. Does the Senator want me to give him the figures?

Mr. BONE. Yes.

Mr. TYDINGS. The three double-deck ocean transports, with four engines, 6,000 horsepower, weigh 82,500 pounds, gross weight. That is the Boeing 314 type. They cost \$2,025,000 apiece. In addition to those three double-deck planes, the Pan American has six double-deck ocean transports on order, of which I think three have been given to Great Britain.

Mr. HAYDEN. That is correct.

Mr. TYDINGS. So there are three to come. They cost \$5,100,000. They are planes of 6,200 horsepower. They weigh 84,000 pounds, gross weight. They are substratosphere ocean transports. They develop as high as 10,000 horsepower. That gives the Senator some idea of the cost of the planes.

Does the Senator want the American Export Air Lines costs, so that they may be compared?

Mr. BONE. No.

Mr. TYDINGS. The Export Airlines planes are very much cheaper than the Pan American planes, because they are not so fast, they are not so large, and they are not so modern.

Mr. HAYDEN. Let me say to the Senator from Washington that as far as concerns the class of service to be rendered and the advantages to the Government, we have no quarrel with the Pan American Airways. It has done a wonderful job in a very fine way. The sole question is whether we will now decide, by denying this appropriation to a competitor, that Pan American shall have for the immediate future, at least, a monopoly, and do it in this way.

Mr. BONE. I understand that; but let me say to the Senator from Arizona that I was concerned with whether or not the \$90,000,000 payment brought this concern an enormous profit to which it might not be legitimately entitled.

Mr. HAYDEN. No.

Mr. BONE. Does it take \$90,000,000 to operate this service?

Mr. TYDINGS. I will give the Senator those figures tomorrow in great detail if he would like to have them. Suffice it to say for the moment that Pan American has never in all its history declared over a 2-percent dividend. It has been a pioneering concern. It has plowed everything in. Furthermore, the present line across the Atlantic has not shown a profit up to this time. As a matter of fact, it is quite unlikely that Pan American will ever make a nickel out of the Atlantic line if the war continues the way it is heading now. After all the money they have expended in

pioneering, after all the millions they have spent, after all the chances they have taken, they probably will have a deficit.

Mr. HAYDEN. Mr. President, I have no desire to detain the Senate further. I merely wanted to point out that this is a poor way to determine a national policy with reference to a transocean air-mail monopoly. If we are to have one, that matter should be determined by the legislative committees of the Congress in an orderly way, and in the meantime we should allow a little competition; but if we kill off all forms of competition by this last-minute way of denying an appropriation, the monopoly is established, and there will be nothing left for the Congress to do but abide by it.

Mr. BAILEY. Mr. President, I should like to commend the Senator from Arizona [Mr. HAYDEN] and then complain a little of him.

When it was stated here just now that he was the means of taking more money out of the Treasury than he puts in, I felt that somebody ought to come to the rescue. I think he is invaluable to the Senate and to the country, and that we could not possibly measure his services by the salary he receives. He is the source of a great deal more wealth to his country than \$10,000 a year.

Now I am going to complain of him for making this remark. He says:

Shall the Congress permit the Pan American Airways Corporation to sway it and prevent it from letting out this additional contract to the Export Airlines?

That is not the question at all. I think the representatives of both the companies have been about the Senate. I think the Export Airlines gave a dinner to the newspapermen; but I would not say that that influenced the newspapermen.

The American Export representatives came to see me, and I was glad to see them. I would not mind calling their names, and I believe I will, since the name of the representative of the Pan American has been called. There was Mr. Hancock, and then Mr. Hitchcock, the famous polo player, the greatest in the world, I believe, an excellent gentleman. I would not complain of him.

I discussed the whole matter with those two gentlemen, first alone with Mr. Hancock, and subsequently with Mr. Hancock and Mr. Hitchcock. I did not think about responding to pressure. I was glad to get the facts, and I was glad to tell them what I felt. I believe those things are in the natural course.

Mr. Trippe came to see me also. I think Mr. Trippe came twice, and I got the facts from him. Mr. Trippe is the president of the Pan American. But to interpret his visit as pressure, or to interpret my action as indicating that I was governed in the interest of the Pan American or by the Pan American, is at least an absurdity, in my mind.

Mr. HAYDEN. Mr. President, that is the last thing in the world I would say. The Senator is just as I am; I am not afraid to talk to any kind of a lobbyist. I have been here long enough to know all about their wiles.

Mr. BAILEY. I understand the Senator. I have already defended him, and I will defend him again.

Mr. HAYDEN. I merely want to say that there is no such idea in my mind as that anybody was influenced. Mr. Trippe was perfectly frank about the matter. He wants this monopoly, and he knows he will get it if competition can be prevented by defeating this appropriation.

Mr. BAILEY. It is not a case of Congress responding to pressure. Congress is going to look at the merits of the question, and I am going to look at the merits of it, and I wish to get to the merits of the proposition.

I think we have cleared the matter now about these representatives coming to see us. I think they had a right to come. It is the right of petition.

There has been a great deal in the newspapers about the matter, in the columns which are written by the columnists, the new type of American journalism, concerning which I do not complain at all. I think the columnists are about to take the places of the editors. I should very much dislike to see the editors go, I myself am an old editor. I have gone in that respect. But the columnists have their place. They sell their columns, and it is all right.

There was a period when every time I picked up a newspaper I found some column about the Pan American monopoly. I wonder about the coincidence. But I am not impugning anyone's motives, nor am I impugning any column or columnist. The columnists were writing in good faith, I take it.

The word "monopoly" seems to have a strangely malicious power in the minds of people, and I wonder why? Every air line in America has a monopoly. We do not put two air lines on one route. Practically every streetcar company has a monopoly. Every electric-light company has a monopoly. The policy of the country is the policy of monopoly, in certain respects. Every railroad has a monopoly. We do not permit parallel lines to be built. The old Richmond, Fredericksburg & Potomac road, from Richmond to Washington, always has had a monopoly. No other company traverses that route into Washington, except by permission upon payment.

Regulated monopoly is a part of the policy of the country. We do not complain. It is true as to the local power companies, it is true as to the electric-light companies, the transportation companies, and so on. It is true of the truck lines, it is true of the air lines. Let us get out of our minds the idea that merely because something is called a monopoly it is terrible.

Coming to Mr. Trippe's proposition, I was present when he testified. He was put on the spot by a very able Senator, who asked him the particular question whether he insisted on having a monopoly of the foreign air service. He said "No"; that that was a matter for Congress. That will be found in the record, if the reporter reported it accurately. He said:

That is a matter for you gentlemen to determine, but I will add this—

This is what he said:

Wherever other countries have had experience in this matter of foreign air transportation, they have always come down to one company.

He mentioned 26 countries, and he mentioned countries which had tried sustaining 2 but had always failed; and why? Mainly because having 2 subsidized companies is contrary to sound economics. We do not have 2 subsidized shipping companies to Lisbon; we have only 1, the American Export Line. In other words, we do not have one subsidy competing with another. That is all there is to that.

He said he thought that if we tried to sustain two foreign lines we would be taught the same lesson other nations had been taught; and I think that is as far as Mr. Trippe went. I am rather inclined to think he is right about that. Very probably we would come down to one company, because, after all, as the Senator from Wyoming says, these companies derive their source of livelihood largely from the mails and from the allowance made by the Government. We allow them so much a mile for carrying the mail; we pay for that and get the money back from the sale of stamps. It is really costing us nothing, but that is because we charge enough for the stamps to justify the traffic. We can always control them; they are utterly dependent upon the Congress.

If Mr. Trippe did get his monopoly, how did he get it? He was a pioneer, and all pioneers have monopolies. The man who discovered gold in California had a monopoly for the time being. He was a pioneer. He was the first one there. The Pan American was the first American air-transportation company to undertake foreign service.

The Pan American went out on its own capital, at its own risk, under the leadership of this remarkable man. I notice Senators always testify to Mr. Trippe's fine qualities and his great capacity. He is a young man, a pilot. He was a poor man. He told me that he formed the Pan American with, as I recall, 11 other pilots. It was not one of these great monopolistic enterprises we so fear; it was a group of fine young men, most of whom had served in the World War as pilots and were looking for a chance to do something. They decided that the United States should be carrying passengers and mail across the Pacific and across the Atlantic. The project grew; it was a success. It has become a great company. It had no competitors, I think mainly because no one dared to undertake the things Mr. Trippe dared to undertake.

Mr. O'MAHONEY. Mr. President—
The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from North Carolina yield to the Senator from Wyoming?

Mr. BAILEY. I yield.

Mr. O'MAHONEY. Certainly one reason why there was no competition was, I am informed, that in practically every instance in which this company entered any foreign country it entered into a contract by which that country agreed that no

other American line would be permitted to come in. Mr. Trippe placed in the record of the hearings the contract which Pan American entered into with the Government of Portugal, by which the Government of Portugal agreed, at the request of Pan American, not to permit any other American company to enter.

If I may interrupt the Senator for a moment longer, my own feeling is that when an American company receives gratuities and subsidies from the American Government, the last thing it should do is to ask foreign governments to prohibit any other American company from competing. That is one way of building up a monopoly.

Mr. BAILEY. That may all be true; it may be that they exacted concessions from other countries; it may be that in the opinion of the Senator from Wyoming and other Senators that was not quite proper. But there are considerations on the other side.

A man undertaking a great venture of that sort, paying \$5,000,000 for an airplane, sending it across 10,000 miles of water, to carry the mails, and carry passengers, and carry the flag of our country, might be allowed to take certain precautions to protect himself against competition. I would not complain of that. It may be that we should change the policy in time. I will come to that. It may be that this country can be an exception to all the rules and all the precedents in this matter, different from all the other nations, and have a different experience, but I never thought that this country was so much different from any other. I think we are likely to have the same experience any other country has.

I believe I shall make a little side remark. I believe there are not a few American people who seem to think we can spend all the money in the world, and have no taxes, and then fight a war and shed no blood; but I am not fooling myself about either one of those propositions. We are not different from the people of other countries in such matters. We suffer the common fate of humanity.

Let us now go a little bit further along with this proposition. It is denounced in the law, it is against the policy of the Government, as declared in the Civil Aeronautics Act, for steamship lines to own and operate air lines. Exceptions are provided, but the policy is fixed. Are we going to make an exception to the fixed policy, and if so why? What have we to justify the exception, and if we are going to make it, are we going to make it in this particular case? These are the questions, and I shall argue them very briefly.

Should we make the exception to the general rule in this case? Agreed that the American Export Airlines have a certificate of convenience. Have Senators read the dissenting opinion in this case? It is contained in the minority views expressed by myself. I think Senators will agree that the dissenting opinion is the better opinion, but we will have to agree that two members of the Board did vote to give the American Export Airlines a certificate of convenience, "temporarily," as the Senator from Arizona said. That is as far as they went.

Mr. AUSTIN. Mr. President, will the Senator from North Carolina yield?

Mr. BAILEY. I wish to conclude my statement on this point, and then I will yield. On that point the Civil Aeronautics Board decided that the law—hear me, Senators—did not oppose the certificate of convenience to this steamship line, because the steamship line before it went into the air transportation business acquired a corporation which became an air line subsequently. I think that is a ridiculous conclusion.

The Senator from Vermont asked me to yield. I now yield to him.

Mr. AUSTIN. Mr. President, I wanted the Senator's views about the aspect to which he has alluded with respect to a temporary certificate. I should like to ask him if the committee took into consideration the Civil Aeronautics Act and the Board's policy with respect to a certificate of convenience and necessity? I understand that such a certificate as a temporary certificate does not come within the sense of the Civil Aeronautics Act, because it is the policy of the act to have the Board consider not merely present conditions, not merely conditions that existed 6 months before the issuing of a certificate, as was done in this case, this certificate being issued in July 1940, but also it is provided in section 2 (a) of the Civil Aeronautics Act, if I am not mistaken, that they must set out in the findings of facts, not only the present need and convenience, but also future benefits. In other words, the Civil Aeronautics Act, whether by accident or otherwise I cannot say, seems to differ from all other acts of Congress heretofore passed with relation to the foundation of facts upon which a certificate may be granted, in that it sets forth as the policy of the Congress with respect to civil aeronautics that there must be considered both the present immediate need as shown by current conditions—and it is in the conjunctive, instead of the disjunctive, as Senators find it in other acts—and the probable future benefits to the public.

Has the Senator considered that aspect of the matter in relation to this question?

Mr. BAILEY. Yes, I have. I think the Senator will find that excerpts of the law were placed in the record at my request.

Mr. AUSTIN. I was looking for the law.

Mr. BAILEY. If it was omitted, I should be very much surprised, because I read a good deal of it into the record.

Let us get to the question of the law. Section 403 (a) (5) of the Civil Aeronautics Act provides:

It shall be unlawful, unless approved by order of the Authority as provided in this section—

(5) For any air carrier, or person controlling an air carrier, any other common carrier—

That is, railroad or steamship company—

or any person engaged in any other phase of aeronautics, to acquire control of any air carrier in any manner whatsoever.

The Civil Aeronautics Board said the Export Steamship Line did not acquire control over an air carrier; that they

acquired control over a corporation which thereafter became one, and therefore the Board had no jurisdiction. That is ridiculous; that is an absurdity. It is what first aroused me in this matter. Read the dissenting opinion. It is printed with the minority views submitted by myself. It was that dissenting opinion, and not the Pan American Lines' representatives, that aroused me about this matter.

So much for the general policy. I am not in favor of letting railroads run steamship companies. I am not in favor of letting steamship companies run railroads; nor am I in favor of letting railroads run truck lines. They run them now only where they are allowed to run them, under very special circumstances, and to a very limited extent.

This is the general proposition. I am not in favor of starting a steamship company in the air transportation business, under the pretext that of monopoly or anything else. The consequence of the proposed action would be to destroy this great business, not only Pan American, but the whole foreign aeronautics system, by turning it over to its competitors, the steamship companies.

I am greatly interested in this matter. I am not at all interested in Pan American. I am interested in building up the merchant marine. If the railroads were trying to take charge of it, I would be fighting the railroads. I am interested in the railroads. If the truck lines were trying to take over the railroads, I would be defending the railroads. I am interested in truck lines; and if the railroads were trying to take over the truck lines, I would be resisting them.

A steamship company, in the form of a banking house, enjoying a monopoly, raises the pretext of monopoly pretty much as a highwayman puts a mask on his face while he puts his hand in his victim's pocket. The steamship company raises the pretext of monopoly while it is enjoying a monopoly. It puts on an advertising campaign in the newspapers against Pan American. I myself saw the advertisement in Time magazine. It talks about monopoly while it now has a monopoly to Lisbon by steamship. When American lines, such as the President Lines and the United States Lines, asked the humble privilege of going to Lisbon and picking up refugees whom the Export Steamship Lines could not accommodate, the President Lines were required to pay a bonus of \$48,000 to American Export Lines, and the United States Lines were required to pay \$386,000 for the privilege. When the American Export Lines talk about monopoly, I will not hear it.

Not only that, but it is after a monopoly of mail. It now has a monopoly of mail by steamship. It is the only company which can now carry American mail to Lisbon. That means practically to Europe. The American Export Lines now has a monopoly of about 72 percent of all the mail to Lisbon.

It now comes here and asks for an airline subsidy from the Government in order that it may divide the remaining 28 percent of the mail. It would receive 14 percent in such a division, and the

total with respect to which it would exercise a monopoly would be 86 percent.

Let me ask a further question. Should we make the proposed appropriation and allowance to this particular company? This particular company is plainly a banking house. Who owns American Export Lines? Lehman Bros., of New York City, a very good banking house, I understand. I make no complaint against it. I have never dealt with it. I know nothing about it, but I think its standing is very good. Lehman Bros. own 70 percent of American Export Lines. What are they getting out of American Export Lines? We had a hard time with our merchant marine. We are paying very considerable subsidies. I wonder if the Senate would be interested in knowing how much American Export Lines was allowed to make under the Maritime Act of 1935. In 1938, 1939, and 1940 American Export Lines enjoyed a subsidy totaling \$4,000,000. That is the operating subsidy. In that period, under the law, it was allowed, under the 10-percent clause, to make \$848,000. How much did it make? It made \$8,500,000. It made it by reason of our subsidy. It made twice as much as the subsidy, and yet it comes and asks for another, and talks about monopoly.

That is not all the subsidy American Export Lines received. I asked Admiral Land to give me not only the operating differential subsidy, but also the construction subsidy which that company enjoyed during the period referred to. During that period American Export Lines had a construction subsidy of \$7,798,000. It made \$8,500,000 extra while enjoying a subsidy, in round numbers, of \$12,000,000. It holds up its hands and says, "Pan American is trying to influence the Congress. Pan American is a monopoly and we are the innocent victims."

Hear me, Senators. If we let American Export Lines have its way it will destroy subsidies for ships, and destroy foreign air transportation. We will not stand for its policy. I told its representatives so, and I begged Mr. Hancock and Mr. Hitchcock to let this matter rest, saying that as chairman of the Committee on Commerce I wished to maintain the policy that both the air lines and the steamship lines should be separate and independent. I called attention to the subsidies which they enjoyed, and told them that if they pressed the fight I would place the facts in the RECORD and go to the country on the facts. What I am doing is not primarily in the interest of Pan American. It is in the interest of air transportation. It is in the interest of keeping the steamship companies and the banking houses out of air transportation.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. HAYDEN. On page 79 of the hearings we read that Pan American-Grace Airways, Inc., is owned 50 percent by the Pan American and 50 percent by the Grace Steamship Co.

Mr. BAILEY. I am glad the Senator called attention to that fact. That is a

mere "end on" line down in South America. That situation was forced.

Mr. HAYDEN. If it is wrong in principle for a steamship company to be interested in an air line across the Atlantic, does not the same principle apply in South America, in the Pacific, and elsewhere?

Mr. BAILEY. I think so; but if it be wrong in principle in the interest of the Grace Line, it is wrong in principle in this instance. In God's name, let us not confirm and ratify the wrong. That is the answer.

Let us take another little step. It is said that additional trips across the sea from New York to Lisbon are needed. Granted that that be so; Pan American is preparing to make additional trips at a cost of \$9,000 a trip. That is in the RECORD. What would it cost for American Export Lines to make the additional trip? Twenty-one thousand dollars. It not only asks for a monopoly of the steamship traffic to Lisbon; it not only seeks a monopoly in carrying the mails to Lisbon by air and water, but wants us to pay it \$21,000 for doing what can be done by the other company for \$9,000. That information is in the RECORD.

Mr. President, so far as I am concerned, that is the case.

Mr. ADAMS. Mr. President, I should like to obtain some information from the Senator from North Carolina, if he has it. Does the Senator have any information as to the approximate cost of a trip across the Atlantic by air? My inquiry is prompted by the fact that one company is asking \$21,000 for the trip, and the other company is asking \$9,000. What is the actual cost to the company? I understood several elements were involved. I assume the \$9,000 covers actual cost of a flight by either company; that is, I assume that it costs as much for one to cross the Atlantic as for the other; and I am wondering why there should be the payment of \$21,000 to one line when the other line will do the same thing for \$9,000?

Mr. BAILEY. I am not able to answer the Senator's question, but I am giving the Senator the facts. The additional trip by Pan American Airways would cost \$9,000; the additional trip by American Export Airlines would cost \$21,000.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BAILEY. I desire to finish my statement on the matter of costs. Pan American Airways submitted to the committee a balance sheet of its operations on this route. The trouble about the balance sheet was that they had a great deal of money due them from foreign countries or foreign nationals, which had not been paid and which may not be paid on account of war. I think Mr. Trippe made the estimate that if all of it should be paid—some \$500,000, or perhaps more; I am speaking from memory—he would make a profit, if 40 percent of it were paid he would come out about even, but as matters stood he was in the red on his New York-Lisbon line by several hundred

thousand dollars. I am stating that only from memory; I do not have the record before me.

Mr. SMITH. Does the Senator understand that the \$9,000 includes costs plus a reasonable profit?

Mr. BAILEY. No; the \$9,000 is just the amount for which Pan American Airways said they would make the extra trip. They had six extra planes ordered. Mr. Trippe stated that they are very fine planes. It will be noted that they are \$5,000,000 affairs. Certain foreign governments needed three, and with the consent of our Government the company agreed that the foreign governments should have those three, but the other three will soon be delivered to the company. In the case of the American Export Lines none are soon to be delivered.

Mr. SMITH. I was interested in the question of the Senator from Colorado regarding the difference between the \$21,000 and the \$9,000. Of course, we understand that the \$21,000 includes subsidies and profits. I was wondering if they were operating that route as a regular thing for \$9,000 including whatever they could make out of it and the overhead.

Mr. BAILEY. I think they considered they were making some money at that rate.

Mr. SMITH. At \$9,000?

Mr. BAILEY. Oh, yes.

Mr. ADAMS. If I may make another inquiry, as I understand, the method of paying subsidies to the transatlantic line differs from the method of paying subsidies to lines operating planes over land; that is, for the transatlantic flights so much per trip is paid regardless of whether a pound of mail is carried, whereas for flights over land the payment is based on units—it may be pounds, or something of that kind. Is there a point in connection with the transatlantic operations where there is a payment in excess of the fixed fee if the mail exceeds a certain amount?

Mr. BAILEY. I do not have the records before me, and I cannot answer the Senator's question offhand.

Mr. ADAMS. I had understood that there was a maximum point above which there was a unit payment.

Mr. HERRING. Mr. President, there is a unit of 1,600 pounds; then above that the rate is \$4 a pound.

Mr. BAILEY. That is correct.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ADAMS. I desire to conclude my inquiry. Does the Senator know whether or not the loads which are carried exceed the maximum, so that there is an additional payment?

Mr. HERRING. Oh, yes.

Mr. ADAMS. To what extent?

Mr. HERRING. I should say at least 50 percent. I do not have the facts exactly. I know the loads exceed the maximum.

Mr. ADAMS. There is also a passenger income; and the passenger fare is roughly \$500 a trip, is it not?

Mr. HERRING. About that.

Mr. ADAMS. So that if they carried 20 passengers they would have \$10,000 in

addition to the subsidy and in addition to the bonus above the 1,600 pounds.

Mr. HERRING. That is true. Of course, the mail revenue far exceeds the passenger revenue, and the difference in cost between the two lines is in part explained by the fact that Pan American Airways is flying modern, fast ships, whereas it is proposed on the other line to use Sikorsky flying boats, similar to the ones Pan American Airways discarded some years ago.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield the floor.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. BAILEY. I had yielded the floor to the Senator from Wyoming.

Mr. O'MAHONEY. I was about to say, in response to the inquiry propounded by the Senator from Colorado, that the figure mentioned in the record with respect to the cost of the additional trip proposed by Pan American Airways is no guaranty at all that that will continue to be the cost to the Government; because the amount of pay received by a carrier is determined by the Civil Aeronautics Board. There have been innumerable instances in land operations of carriers offering to carry the mail for a small or a nominal amount, in the confidence that later on the pay would be increased.

In the case of Pan American Airways itself, for example, when it started its Bermuda operations it offered a bid of only a fraction of a cent per pound. Now it is receiving, as I recall, \$1,700 a trip; and I am advised that on this particular trip it is seldom that more than 60 or 70 pounds of mail are carried.

So I do not attach any particular importance to the fact that in this instance Pan American Airways has submitted the \$9,000 figure, or whatever it may be, because eventually the Civil Aeronautics Authority will have the problem of determining what the payment shall be; and that payment, under the law, ought to be sufficient to enable the company to operate at a profit.

Mr. BAILEY rose.

Mr. O'MAHONEY. Just one more word. The Senator from Iowa [Mr. HERRING] has pointed out, in response to the question of the Senator from Colorado, that there is a maximum load and that an excess payment is made when the maximum load is reached. In the last year the quantity of mail carried across the Atlantic has so increased that in some instances Pan American Airways has taken out all of the passenger equipment in its planes in order to load up with mail, because passengers are carried at a lower rate than mail. That is an instance of what the Senator from Arizona said at the outset, that there is need for the additional service.

Mr. HERRING. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. HERRING. Is that not true, though, because of failure to be able to sail due to bad weather, resulting in trips being delayed, and mail accumulating?

Mr. O'MAHONEY. No; it is my information that that is not the reason,

but that it is so much more profitable to carry air mail than it is to carry passengers that Pan American Airways has naturally chosen to carry the air mail; and here is a proposal, approved by three branches of the Government, to provide two extra trips to accommodate passengers and mail.

The Senator from North Carolina rose while I was speaking. Does he desire to ask a question?

Mr. BAILEY. I thank the Senator. Mr. President, I was somewhat intrigued by the Senator's remarks that the proposed charges and contracts for \$9,000 and \$21,000, respectively, do not amount to anything, and that the Civil Aeronautics Board would blow that up in 2 or 3 minutes. That statement merely shows the Senator's faith in the Civil Aeronautics Board.

Mr. O'MAHONEY. Oh, Mr. President, I am talking about the law and the fact that the Civil Aeronautics Authority has the right under the law to determine what the rate shall be.

Mr. BAILEY. Undoubtedly it has the right to determine the rate; but the Pan American Co. is making one proposal and another company is making another. The Pan American Co. is making a profit. The difference is the \$9,000 proposed by the Pan American Airlines for one trip and \$21,000 proposed by the Export Line for one trip; but the Senator says that does not trouble him at all, because the Civil Aeronautics Authority can make the rate what they please.

Mr. O'MAHONEY. If the Senator will bear with me for a moment before he leaves the floor, I would say it is true that the Pan American has offered to carry the mail for this particular sum, but on condition that it have the exclusive right to carry the mail. In other words, it is following the age-old practice of monopoly of cutting the rate when competition appears.

Mr. BAILEY. Now, Mr. President, my honored friend has admitted the cause, and pleaded extenuation; he says the \$9,000 offer is good, but it is in consideration of something that is not so good. I will leave it right there.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. But the company was not bound by this offer; there was no time limit; it would have the authority, as it had in the Bermuda case, of appearing in a short while before the Civil Aeronautics Authority and saying, "Well, we made a mistake; we find that we cannot carry the mail at a profit or reasonably for this sum; will you not be good enough to raise it?" And the Civil Aeronautics Authority, under the law, would be under obligation to raise it.

My friend is arguing very skillfully and ably, as he always does, in this particular instance to sustain the obligation of the company which is endeavoring to exclude other American companies from enjoying, at the hands of the American people, the same benefits it is enjoying.

Mr. BAILEY. Now the Senator "has gone into the same hole he came out of." He is talking about monopoly again. He started out with that proposition; then he comes around and says that the \$9,000

and the \$21,000 mean nothing; then he says that the \$9,000 does mean something; it means that the Pan American is exacting a bad privilege. Then when I point out that that is an admission that the \$9,000 did mean something, he comes back and says, after all, the Civil Aeronautics Authority will settle this. I will leave the matter right there.

Mr. O'MAHONEY. The Senator from North Carolina is like the Senator from Maryland, very skillful in asserting conclusions that do not appear from the language at all.

Mr. BAILEY. I may be very skillful, and I accept the compliment, but I am not skillful enough to comprehend that situation presented by the Senator's argument.

Mr. ADAMS. Mr. President—

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. ADAMS. I gather from the Senator's remarks that the Civil Aeronautics Authority fixes the basic compensation under the law?

Mr. O'MAHONEY. That is my understanding.

Mr. ADAMS. My difficulty is that, under the bill as it came from the committee, we are adding two weekly trips, one, apparently, by the Pan American and one by the Export Line. The compensation of each is to be fixed by the Civil Aeronautics Authority. I am in some difficulty to understand why it should cost, roughly, \$400,000 a year for the Pan American, or \$9,000 a trip, and \$21,000 a trip, or some \$800,000, for the Export Line, when the rate is to be fixed by the same body. Considering the sordid dollar end of it, upon what basis, upon what theory, will the Civil Aeronautics Authority pay two-and-a-quarter times as much for the service of the new line as it pays for the equivalent service of the old line?

Mr. HAYDEN. The \$21,000 payment is less than the amount paid the Pan American for its first trip.

Mr. ADAMS. What is the payment to the Pan American for the fourth trip they are now making?

Mr. HAYDEN. I am talking about the first trip.

Mr. ADAMS. I am talking about the trip they are now making. An extra trip can be obtained from the Pan American for \$9,000?

Mr. HAYDEN. Yes.

Mr. ADAMS. And it will take \$21,000 to get the equivalent or additional service from the Export Line.

Mr. HAYDEN. Yes; it will take that because in the case of the Pan American on the fourth trip there is no overhead; it is all paid for by paying them \$21,600 for their first trip, and then a little less for the next trip, and so on. So, the first out-of-pocket cost is taken care of and the Pan American will make the additional trip for \$9,000, provided always they have all the business. If they are not given all the business, they will not render the service for \$9,000.

Mr. ADAMS. But the fact remains that, if the bill should pass as it stands, the Government will be paying an overhead on two lines while, as it now is, it

is paying an overhead on one, and, by reason of that, it is getting a lower trip rate. My inquiry is—and I may say I do not know one line from another—why, if we want an extra trip a week, we should take the more expensive of the two, involving additional cost to the Government, at a time when I think dollars mean something to the Government?

Mr. HAYDEN. The only answer is that the War Department and the Navy Department say that the additional cost is justified by having more than one concern engaged in the business.

Mr. O'MAHONEY. Mr. President, it might also be added that, under the plan by which the trans-Atlantic service is operated, the certificate of convenience and necessity which was granted to Pan American was for service via Lisbon to France and Great Britain. Now, the service to France and Great Britain has been cut off by reason of the war, and the Civil Aeronautics Board and the Government are looking forward. They wanted one trip running to south Europe as well as the Pan American trip to north Europe. That opportunity is here presented. If the Pan American can prevent a certificate of convenience and necessity being granted to a competitor, which has invested \$3,000,000 to set up a south European line, then the Pan American will have the complete business for all Europe, and we will never have an opportunity to refuse another enterprise which has invested two or three million dollars the right to have a certificate of convenience and necessity.

Mr. ADAMS. Two competing private corporations are interested in the trans-Atlantic mail service purely for their private profit. That is what brings the contest here. There are two groups of stockholders, one is trying to get the exclusive right because it is profitable, and the other to get in because it is profitable. If it is profitable for the line that wants to compete to get in, to get a foothold, why is it not willing to say, "We will carry the mail at the same price as the other line"? Why should the United States Government have to pay an extra cost in order that the competing line may establish itself? That is what is bothering me.

Mr. O'MAHONEY. Because we are operating the transoceanic mail upon the theory, which is very sound, that private enterprise cannot operate with profit without Government assistance, and we are giving Government assistance. It is the policy of the Government to build up the service. The only oceanic air-mail operation that is in any degree possible is the trans-Atlantic, and that, in my opinion, is because of the extraordinary conditions which have developed as the result of the emergency in great concentration on this particular line.

The Pan American is not making great profits on its Pacific lines, for example. A moment ago there was some discussion about the income derived by the Government from the sale of stamps. The sale of air-mail stamps to carry mail across the Pacific Ocean is less than 50 percent of what the Government is paying by way of subsidy to the Pan American.

There are two ideas, as I see it, in the Senator's question. This is not a question whether we shall take the offer of a private company which is operating on its own as against another which is more expensive. It is whether we shall close the door to a competitive system by reason of an offer which comes from a company which has received great benefits from the Federal Government—an offer which comes when competition appears for the first time—and assume, if the present Congress refuses to grant the appropriation to set up the additional line, that then the opportunity will be created for the carrier to appear before the Civil Aeronautics Board and say, "We cannot operate at this low cost; please raise the rate"; and the rate can be raised. There is nothing before us which binds the Pan American to the figure it offers.

Mr. ADAMS. But the situation is that the American Export Lines are seeking to destroy monopoly in only one instance.

Mr. O'MAHONEY. Oh, I do not think the Export Lines is at all concerned about destroying monopoly—not at all.

Mr. ADAMS. I think not; certainly not. As I said before, it is a case of two private corporations wanting profitable business.

Mr. O'MAHONEY. Certainly.

Mr. ADAMS. I asked the Senator from North Carolina [Mr. BAILEY] a question as to cost. Perhaps the Senator from Wyoming can give it to me. I am wondering what it actually costs the lines to make a flight. Has the Senator any idea what the cost is? I am wondering what proportion the \$21,000 or the \$9,000 bears to the actual cost of making the flight. What would it cost the companies to make the flight, regardless of the payment?

Mr. O'MAHONEY. Mr. President, a hearing is now in progress before the Civil Aeronautics Authority, and has been going on for several weeks, in an effort to determine the answer to the Senator's question with respect to the Latin-American operations of the Pan American Airways; and as yet the evidence is not complete. I happen to know that in 1935, when the Post Office Department was undertaking to investigate the payments to the Pan American for its Latin-American operations, and inspectors of the Post Office Department went to South America to go into the offices there where the operating companies were handling the mail, they were told, "You cannot find the books here; the books are in New York"; and when they went to New York they were told, "We cannot give you the books here; they are in South America"; and the Post Office inspectors were unable to find the exact cost of the operation.

The Pan American contracts were not canceled in 1934 because of the fear on the part of the State Department that the repercussions in South America would be so great that it would be impossible to figure them out; but I know that, whereas the domestic air mail over the land in the United States is being carried at a rate of about 20 cents per pound-mile, as I think they figure it, the Pan American has been receiving about \$1.20 for its service.

Mr. ADAMS. Awhile ago the Senator mentioned the question of cost of carrying air mail on the land. Going back to the time of the cancelation of all the air-mail contracts, which he also mentioned, bids were then advertised for, and the land companies bid down almost to nothing.

Mr. O'MAHONEY. They certainly did.

Mr. ADAMS. I know that one of them bid an eighth of a cent a pound, because awarding the contracts would be the equivalent of granting a franchise, and subsequently the Civil Aeronautics Authority would make rates based upon the fair cost of carrying the traffic. The contracts were for 3 years; but I have this interesting thing to add: Before the expiration of the 3-year period for which the contracts were made the air lines came before the Civil Aeronautics Authority and asked to have their rates adjusted; and the Civil Aeronautics Authority, instead of saying to them, "You agreed to carry the mails for 3 years at these losing figures," gave them reasonable rates. But that was not all, for then the air lines attempted to set back the time they were to get these rates to the time when the petition was filed, not the time when the decision was made. So the land companies sought to escape the obligation of their own contracts which they entered into in order to get the franchise and the Civil Aeronautics Authority were sufficiently tender that they related back the increased rate to the middle of their contract period, and they came before the Appropriations Committee and asked for an appropriation running upward of a million dollars to pay these companies. The Appropriations Committee, however, did not give them the money.

Mr. O'MAHONEY. The Senator is quite right; and that is exactly what I am predicting in this case. The officers and directors of the Pan American Airways Co. are not stupid.

Mr. ADAMS. I am not tender toward any of these companies. I have not found any airplane company that was wearing out its life or emptying its purse in order to perform a public service.

Mr. O'MAHONEY. The Senator speaks my mind in that respect; and my position upon this matter is not dictated by any choice among the companies. Like the Senator from Arizona [Mr. HAYDEN], I am ready to acknowledge that the Pan American Airways Co. has done an extraordinarily excellent job; but it has not been the exclusive pioneer in this field, as we are asked to believe. In most of the South American countries, for example, the lines which it took over had been pioneered by its predecessors, which it absorbed. What we are dealing with is the same story which has appeared over and over again. Here is an opportunity for a world-wide organization to establish complete control over international air mail; and it will have that complete control without regard to anything that may happen in the future if Congress repudiates the recommendation made

by three or four branches of the Government.

Mr. GLASS. Mr. President, I venture to ask unanimous consent that this particular provision of the bill, which creates interminable discussion, may be passed over until tomorrow, and that we may proceed with the provisions to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first amendment of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department—Miscellaneous and contingent expenses, Treasury Department", on page 5, line 18, after the word "Buildings" and the semicolon, to strike out "newspaper clippings."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Customs—Coast Guard", on page 30, line 4, after the word "therefor", to strike out "\$8,111,000" and insert "\$11,111,000."

The amendment was agreed to.

The next amendment was, on page 31, line 19, to increase the total appropriation for the Coast Guard from \$62,193,150 to \$65,193,150.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Salaries in bureaus and offices", on page 41, line 16, to increase the appropriation for the Office of the Third Assistant Postmaster General from \$791,060 to \$798,560.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief Inspector", on page 44, line 24, after the words "divisions and", to strike out "620 inspectors" and insert "not to exceed an average for the fiscal year of 655 inspectors in a pay status"; and on page 45, at the end of line 1, after the amendment just above stated, to strike out "\$2,405,700" and insert "\$2,496,700."

The amendment was agreed to.

The next amendment was, on page 45, line 15, after the word "Service", to strike out "\$652,350" and insert "\$682,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General", on page 46, line 24, after the word "offices", to strike out "\$7,230,000" and insert "\$7,400,000."

The amendment was agreed to.

The next amendment was, on page 47, line 13, after the word "services", to strike out "\$8,050,000" and insert "\$8,400,000."

The amendment was agreed to.

The next amendment was, on page 48, line 4, after the words "bus fare", to strike out "\$1,450,000" and insert "\$1,475,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General", on page 48, line 13, after the word "offices", to strike out "\$11,250,000" and insert "\$11,400,000."

The amendment was agreed to.

The next amendment was, on page 48, line 21, after the word "service", to strike out "\$112,000,000" and insert "\$112,300,000."

The amendment was agreed to.

The next amendment was, on page 49, line 9, after the word "Service", to strike out "\$57,400,000" and insert "\$57,460,000."

The amendment was agreed to.

The next amendment was, on page 49, line 21, after the word "headquarters", to strike out "\$55,000" and insert "\$60,000."

The amendment was agreed to.

The next amendment was, on page 50, line 5, after the word "offices", to strike out "\$440,000" and insert "\$450,000."

The amendment was agreed to.

The next amendment was, in the item for foreign air-mail transportation, on page 51, line 7, after the name "Alaska", to strike out "\$15,477,831" and insert "\$16,693,831."

The PRESIDING OFFICER. This amendment has been passed over by unanimous consent.

The next amendment was, on page 51, line 13, after the name "District of Columbia", to strike out "\$21,280,327" and insert "\$21,509,313, of which amount the sum of \$45,696 shall be immediately available."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Third Assistant Postmaster General", on page 51, line 23, after the word "agency", to strike out "\$5,000,000" and insert "\$5,165,000."

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I desire to interrupt the reading of the bill at this point merely to make a record, because there was no hearing upon the particular item of an additional \$165,000 for the purchase of stamps which has been recommended by the committee.

This item, which was approved by the Budget Bureau, was eliminated in the other House because it appeared that it was the cost of printing two-color stamps. It was argued that it is an unnecessary expense to print stamps in two colors. The revenue of the Government from the sale of stamps to stamp collectors is so great, and the attraction to collectors of multi-colored stamps is also so great, that it is inadvisable to make this reduction. It would be false economy.

I am advised there are more than 200,000 members of air-mail stamp clubs engaged in collecting colored stamps throughout the United States. If each of these members bought only one dollar's worth of multicolored stamps, it would be more than the increase just voted by the Senate. To stop printing them would unquestionably reduce the revenue now received by the Government from collectors of air-mail stamps who purchase the stamps merely to add them to their collections. In other words, the collector's stamp is all net revenue. No service is performed in return for it.

I am informed that the record shows that last year 123,000,000 6-cent, two-colored air-mail stamps were sold, and 5,000,000 16-cent stamps. The revenue to the Government from the 6-cent stamps was therefore \$7,380,000, and from

the 16-cent stamps \$800,000. To this may be added the fact that the use of multi-colored stamps for air-mail service expedites the handling of air mail in the post offices, by distinguished it, through the stamp, from ordinary mail.

For these reasons it seems to me, as it did to the committee, that the appropriation should be restored.

The **PRESIDING OFFICER**. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General", on page 55, line 17, after the word "offices", to strike out "\$9,900,000" and insert "\$9,975,000."

The amendment was agreed to.

The next amendment was, on page 57, line 17, after the word "expenses", to strike out "\$330,000" and insert "\$350,000."

The amendment was agreed to.

The next amendment was, under the subhead "Public buildings, maintenance and operation", on page 59, line 12, after the word "Department", to strike out "\$600,000" and insert "\$675,000."

The amendment was agreed to.

The next amendment was, under the heading "Title III—General provisions", on page 63, after line 5, to insert:

Sec. 305. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

The amendment was agreed to.

The **PRESIDING OFFICER**. That completes the committee amendments, with the exception of the amendment passed over. Without objection, the clerk will renumber the sections to conform to the amendments heretofore made.

Mr. McCARRAN. Mr. President, I understand the controversial amendment is to go over until tomorrow. In that event, of course, the consideration of the bill cannot be concluded today. I therefore wish to make a special request. I propose to offer an amendment, but I should prefer to offer it tomorrow. I do not think there will be any controversy over the amendment to speak of, and I should like to have it go over until tomorrow.

The **PRESIDING OFFICER**. Without objection, it may go over.

Mr. GLASS. I move that the Senate adjourn.

Mr. HILL. Mr. President, I will ask the Senator to withhold the motion a moment. I understand the junior Senator from Florida [Mr. PEPPER] is very anxious to speak today, and I was about to suggest the absence of a quorum. I am informed he is now on his way to the Senate Chamber. Would it be agreeable to the Senator from Virginia that I suggest the absence of a quorum?

Mr. GLASS. I have no objection.

Mr. HILL. I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	Murdock
Aiken	Ellender	Murray
Andrews	George	Norris
Austin	Gerry	O'Mahoney
Bailey	Gillette	Overton
Ball	Glass	Pepper
Bankhead	Green	Reynolds
Barkley	Guffey	Russell
Bilbo	Gurney	Schwartz
Bone	Hatch	Shipstead
Brewster	Hayden	Smathers
Brooks	Herring	Smith
Brown	Hill	Spencer
Bulow	Holman	Stewart
Bunker	Hughes	Taft
Burton	Johnson, Calif.	Thomas, Idaho
Butler	Johnson, Colo.	Thomas, Okla.
Byrd	Kilgore	Thomas, Utah
Byrnes	La Follette	Tobey
Capper	Langer	Truman
Caraway	Lee	Tunnell
Chandler	Lodge	Tydings
Chavez	Lucas	Vandenberg
Clark, Idaho	McCarran	Van Nuys
Clark, Mo.	McFarland	Wallgren
Connally	McNary	Wiley
Danaher	Maloney	Willis
Davis	Mead	

The **PRESIDING OFFICER**. Eighty-three Senators having answered to their names, a quorum is present.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable committee reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Granville T. Norris, of Oklahoma, to the United States marshal for the eastern district of Oklahoma. (He is now serving in this office under an appointment which expired February 6, 1941.)

By Mr. KILGORE, from the Committee on the Judiciary:

William Holroyd McGinnis, of West Virginia, to be United States marshal for the southern district of West Virginia, vice George P. Alderson, resigned;

Joseph C. Reing, of Pennsylvania, to be United States marshal for the eastern district of Pennsylvania; and

Charles F. Uhl, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, to fill an existing vacancy.

By Mr. GEORGE, from the Committee on Foreign Relations:

Sundry persons for promotion in the Foreign Service.

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Robert H. McBride, of Michigan, to be a Foreign Service officer, unclassified, a vice

consul of career, and a secretary in the Diplomatic Service.

By Mr. HAYDEN, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The **PRESIDING OFFICER** (Mr. McFarland in the chair). The reports will be placed on the Executive Calendar.

ARMY NOMINATIONS REPORTED AND CONFIRMED

Mr. BARKLEY. On behalf of the Senator from North Carolina [Mr. REYNOLDS], who is temporarily detained, I submit, from the Committee on Military Affairs, reports on certain nominations for appointment and promotion in the Army.

The **PRESIDING OFFICER**. The reports will be placed on the Executive Calendar.

Mr. BARKLEY. I now ask unanimous consent for the present consideration of the nominations. They are routine appointments and promotions in the Army.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the nominations in the Army? The Chair hears none, and, without objection, the nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be notified of the confirmation of the nominations in the Army.

The **PRESIDING OFFICER**. Without objection, the President will be notified.

If there be no further reports of committees, the clerk will state the nominations on the Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Willard L. Beaulac, of Rhode Island, to be consul general of the United States.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

The legislative clerk read the nomination of John M. Morin, of Pennsylvania, to be a member for a term of 6 years from March 15, 1941.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Frank J. Kuhl, of Milwaukee, Wis., to be collector for the district of Wisconsin.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

SELECTIVE SERVICE

The legislative clerk read the nomination of John O. Donovan, to be State director of selective service for the State of California.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Brig. Gen. Sion Boone Hawkins, to be State director of selective service for the State of Georgia.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk read the nomination of Sion Boone Hawkins to be brigadier

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La Follette might say in his speech, I would defend his right to say it, as I would defend the right of anyone else to give expression to his views.

I am sorry that the authorities, if the report is accurate, took the stand they did take. I did say to a newspaperman who called me last night, as I notified the Senator from Missouri [Mr. CLARK] today before his address, that I would arrange in my own home town, which is the capital of my State, where I thought I knew the municipal authorities well enough to address them, that if Governor La Follette cared to make a speech in the capital of my State, in my home city, I would take the responsibility of seeing that he had both the opportunity and the audience.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. PEPPER. Certainly.

Mr. CLARK of Missouri. I am very glad, indeed, to bear witness to the fact that I discussed that matter with the Senator from Florida before he took the floor today, and he made exactly that statement to me.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

Mr. TYDINGS obtained the floor.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. McCARRAN. If the Senator is about to address himself to the bill now before the Senate, I wonder if he would care to yield to me now that I might present an amendment, which, I think, will not take very long?

Mr. TYDINGS. I can say to the Senator that I have no objection, but I understand that a point of order will be made, not by me but by some other Senator, which will bring on some debate. I have waited pretty long, ever since 12 o'clock, and I do not feel that I can justly yield again.

Mr. McCARRAN. I may say, in respect to the point of order, that I have given notice in writing under the rule of a motion to suspend the rule in order that the amendment might be considered.

Mr. TYDINGS. I think, however, if the Senator will allow us to go ahead, that his amendment will probably be adopted with more ease and facility than if we were to consider it now. I think I am well advised as to that.

Mr. McCARRAN. I may say to the Senator from Maryland that I know what takes place after a keen Senate debate. My amendment would be forgotten, and would not even be considered. It will take but a minute or so to consider it. If it should take more than 5 minutes, I would then consent that it go over.

Mr. TYDINGS. The point is, however, we could not get back to where we are now if it should take more than 5 minutes.

Mr. McCARRAN. If there is any objection to suspending the rule in accord-

ance with the notice I have given, a different situation would be presented.

Mr. GLASS. Mr. President, under the rules of the Appropriations Committee, I should be obliged to make the point of order against the proposed amendment, as it would be plainly legislation on an appropriation bill—

Mr. McCARRAN. That is correct.

Mr. GLASS. Since I told the Senator that, I have here a letter from the Postmaster General opposing the amendment, and, therefore, it will take more than 5 minutes to dispose of the matter.

Mr. McCARRAN. Very well.

Mr. TYDINGS. Mr. President, I do not wish to be discourteous to my friend from Nevada, but I think in view of the statement of the chairman of the committee, he will understand that if his amendment were allowed to come up now it would take more than 5 minutes, and, under the circumstances, I do not feel that I can yield.

The VICE PRESIDENT. If the Senator will permit, the Chair will ask the clerk to state the pending amendment.

The LEGISLATIVE CLERK. On page 51, at the beginning of line 7, it is proposed to strike out "\$15,477,831", and insert "\$16,693,831."

Mr. TYDINGS. Mr. President, I hope Members of the Senate who are present and who are interested in this item will give me their attention for a very brief period, so that I may review the opposition side of this case. I shall try to be as brief as a considered review of the position will permit.

First of all, what are the naked facts in the case? About 2 years ago Pan American Airways secured permission and financial help from the Government of the United States to fly planes for the first time across the Atlantic Ocean on regular schedules carrying mail and passengers. That service is not yet 2 years old. It was a tremendous adventure in the field of aviation, involving about 24½ hours on the westward flight and about 20 hours on the eastward flight. As I have said, this venture is less than 2 years old; and even when permission and money were first granted, many of us in this body doubted the wisdom of it, feeling that perhaps aviation had not advanced sufficiently far as yet for regular trans-Atlantic flights on a daily or a weekly schedule.

I have heard, in the course of this debate, considerable sophistry—and I use the word advisedly—in connection with so-called monopoly. It is contended that Pan American Airways has a monopoly across the Atlantic between this country and Lisbon, Portugal, and that monopoly is a terrible thing. Therefore, because a monopoly is bad—and I agree with that generality—we should have competition on this route.

Mr. NORRIS. Mr. President—

Mr. TYDINGS. Let me finish this recital, and then I will yield to the Senator. All that looks rosy, does it not? But the method by which this monopoly is to be eliminated is another question. I now yield to the Senator.

Mr. NORRIS. I am at a little loss to know just what the amendment is. I heard the clerk read it, but before I could turn to the page the Senator from Mary-

land had proceeded; I think it would be advantageous to all of us if we knew concretely just what is the amendment the Senator is talking about.

Mr. TYDINGS. The amendment is in the second paragraph on page 51. The House passed the bill with the amount \$15,477,831 in it; the Senate committee proposes to amend that by raising the amount to \$16,693,831.

Mr. NORRIS. I thank the Senator.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. TYDINGS. Let me finish. I will yield liberally, but let me, first of all, finish the idea; then I will yield. I cannot express it half way, and then argue with any degree of fluidity.

Mr. HAYDEN. I merely wish to state the fact that the amount of money carried in the bill is \$416,000 for Pan American and \$800,000 for the American Export Lines.

Mr. TYDINGS. I want to be courteous, and I also want to be fair to the opposition.

What is the method by which this monopoly—and that is what it is—is to have competition? Let us see who is the applicant for this competition. It is a steamship line—the American Export Line, a very successful shipping company that operates steamships between America and Lisbon, Portugal. That steamship company owns entirely American Export Airlines, and that steamship company, which now operates on the bosom of the ocean between the United States and Lisbon, wants likewise to operate in the air between the United States and Lisbon.

How much of the traffic between the United States and Lisbon does the steamship company now have, and how much does Pan American Airways have? The steamship company already has 70 percent of the traffic between the United States and Lisbon, Portugal. Pan American Airways has less than 30 percent of the traffic between the United States and Portugal. So, in the event the steamship company, which already carries 70 percent of the traffic, is also able to obtain a license to operate in the air and share the remaining 30 percent of the traffic with Pan American Airways, the steamship company, which already has over half of it, will have 85 percent of it, and Pan American will have 15 percent. That is the method by which we are going to get rid of monopoly.

Mr. HAYDEN. Will the Senator yield for a statement of fact?

Mr. TYDINGS. Very well.

Mr. HAYDEN. If Pan American has four trips a week and the American Export Lines has one, the American Export Lines would get one-fifth of the business and not one-half, as stated by the Senator. That is obvious.

Mr. TYDINGS. I do not agree with that statement because by the testimony—and I will state the page, if it is desired—the Export Lines have ordered three planes, and they state frankly that they are going to put all three of those planes on, and, as Pan American now only has three planes on three trips a week, it would be a 50-50 proposition. But whether it be one plane or three planes, what avails all this talk about

monopoly when the steamship line already has 70 percent and when the only competition it has is from Pan American, and that is to be whittled down so that it will have as much in the air as Pan American has while enjoying all the traffic on the bosom of the ocean?

Mr. CLARK of Idaho. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CLARK of Idaho. Of course, "monopoly" is a relative term. The Senator from Maryland said that Pan American had a monopoly. In the sense that they are the sole operators in their field so far as American lines are concerned, that is doubtless true. But there are monopolies and monopolies; are there not?

Mr. TYDINGS. That is true.

Mr. CLARK of Idaho. Lindbergh had a monopoly on flying the Atlantic alone, because he was the only man who would do it.

Mr. TYDINGS. That is true.

Mr. CLARK of Idaho. Originally it was said to be impossible to fly the Andes. Pan American did it, so they had a monopoly on flying the Andes.

Mr. TYDINGS. That is true.

Mr. CLARK of Idaho. It was said to be impossible to fly the Pacific; but Pan American did it, and they had a monopoly on the Pacific. So this monopoly has grown up, I think perhaps not in the way that monopolies ordinarily grow up, by financial manipulation, but by doing something that nobody else would do.

Mr. TYDINGS. That is true; and Pan American has been doing that for less than 2 years, and it has hardly proved the success of the venture, and is not making any money, as I shall show in a very few moments. It is not being paid as much as the sale of trans-Atlantic airmail stamps puts into the Treasury of the United States. It is losing money this instant; and after its backers have spent millions, and exhibited a high degree of courage and vision and foresight in promoting the trade of this country, when they have hardly established the success of the venture a concern which already has 70 percent of the traffic comes in and wants to share the remaining 30 percent with Pan American Airways; and always Pan American is called a monopoly!

Senators, if you vote this amendment into the bill what you will do will be to drive Pan American off the air lines between here and Portugal, and make Export Steamship and Export Airlines the one service operating there—a steamship company which already has a construction subsidy from the Government of the United States, which already has a mail subsidy from the Government of the United States on the water, and now will have its third subsidy by having a mail subsidy in the air between this country and Portugal.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Delaware.

Mr. HUGHES. Did I correctly understand the Senator to say that if this amendment should be adopted, the air line which now has the route to Portugal would go off the route and give it up?

Mr. TYDINGS. If the amendment is adopted it will put the Export Steamship Co. both on the ocean and in the air, and will drive Pan American off the air route, in my opinion, because they are already losing money on this run.

Mr. HUGHES. Does the Senator think they will abandon it, or go somewhere else?

Mr. TYDINGS. They will have to do so, and I shall show the Senator why in a moment. They are already \$1,900,000 in arrears. Why are they in arrears? Because this is a two-way service. Our Government pays them for taking the mail from this country to Portugal, but foreign governments pay them for bringing the mail from the foreign countries to the United States, and Pan American has one million nine hundred thousand and some odd dollars owing to it in arrearages. Some of those arrearages are 21 months old, some 18 months old, some 15 months old, some 14 months old. They are owed to Pan American by countries such as Germany and France and Norway and Rumania and Hungary. Do you think Pan American will be paid those arrearages?

Mr. HAYDEN. Mr. President, will the Senator permit me to question the accuracy of his figures?

Mr. TYDINGS. I will.

Mr. HAYDEN. The figures the Senator gave were those submitted by Mr. Trippe some months ago.

Mr. TYDINGS. Yes.

Mr. HAYDEN. The situation today is that the \$1,900,000 the Senator mentioned has been reduced to \$412,000.

Mr. TYDINGS. That is true only because, under a special act of Congress, the Post Office Department makes yearly loans to Pan American Airways to tide them over this very period.

Mr. HAYDEN. No.

Mr. TYDINGS. Has Germany paid?

Mr. HAYDEN. Yes.

Mr. TYDINGS. When?

Mr. HAYDEN. I have the figures here.

Mr. TYDINGS. Give me the date.

Mr. HAYDEN. I will give the Senator the date. As of today—

Mr. TYDINGS. Where did the Senator get his figures?

Mr. HAYDEN. I got them from the Post Office Department this morning.

Mr. TYDINGS. When did Germany pay?

Mr. HAYDEN. At the time the figures were put in the record Germany owed Pan American \$532,000. That has been reduced to \$149,000.

Great Britain owed \$739,000, which has been reduced to \$266,000.

France owed \$226,000, and it has been reduced to \$28,000.

Italy owed \$228,000. It has been reduced to \$90,000.

Those arrearages are being collected.

Mr. TYDINGS. Very well. What is the amount still owing?

Mr. HAYDEN. The amount still owing is \$412,000.

Mr. TYDINGS. I do not concede that the Senator from Arizona has pictured the matter as I understand it; but, even if he has, if he will take that deficit and apply it to Pan American's outgo and income, he will find that they are not making any money on the run, and that

the amount of money that is still owing probably will not be collected; and their loss will be accentuated by the disappearance of what is now carried as a potential asset, but which, in my judgment, is not collectible.

Mr. HAYDEN. Will the Senator concede that as the money accrues, under a special act of Congress advances are made to Pan American?

Mr. TYDINGS. Only for a year.

Mr. HAYDEN. For a year.

Mr. TYDINGS. As a loan.

Mr. HAYDEN. As a loan.

Mr. TYDINGS. At the end of the year Pan American has to pay it back.

Mr. HAYDEN. The record now made is that Pan American will not have to pay back the loan. An advance was made to them only on the 2d of May of another \$113,000. The testimony from the Post Office Department is that these sums are being collected, and that Pan American will get all this money; and all this talk about their going broke because foreign nations are not paying is not justified by the record.

I ask to have these tables incorporated in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Statement covering advance payments to the Pan American Airways Co. for westbound trans-Atlantic air-mail service

Advance payments made:

Sept. 20, 1940.....	\$769, 971. 81
Jan. 16, 1941.....	146, 818. 79
Mar. 17, 1941.....	259, 673. 91
May 2, 1941.....	113, 690. 33
	<hr/> 1, 290, 154. 84 <hr/>

Amount of advances recovered:

In cash.....	707, 466. 07
By offset.....	170, 622. 88
	<hr/> 878, 088. 95 <hr/>

Amount of advance not

yet recovered..... 412, 065. 89

	Jan. 31, 1941	Now
Great Britain.....	\$739, 310. 57	\$266, 505. 68
France.....	226, 151. 18	28, 392. 53
Germany.....	532, 917. 01	149, 636. 99
Italy.....	228, 800. 36	90, 429. 15
Portugal.....	180, 096. 20	59, 857. 33
Switzerland.....	317, 619. 90	142, 271. 17
Spain.....	67, 126. 46	63, 519. 43

Mr. TYDINGS. Does the Senator mean that Rumania is going to pay? Does he mean that Poland is going to pay? Does he mean that Greece is going to pay? Does he mean that Norway is going to pay? Does he mean that Holland is going to pay?

Mr. HAYDEN. Rumania does not owe anything. Poland does not owe anything. The amount owed by Holland is a very minor amount. There is plenty of Dutch money impounded over here from which to collect it, for that matter.

Mr. TYDINGS. Bills cannot be collected in that way, because the Government has impounded money. That has nothing at all to do with paying Pan American. That is just convenient mental bookkeeping.

Mr. HAYDEN. That is exactly the way the French paid up. The money

was taken out of French money on deposit in this country.

Mr. TYDINGS. The Senator from Arizona at least has not denied that for 21 months many of these loans were unpaid. For 18 months in other cases they were unpaid. I have just finished reading Mr. Trippe's testimony on the subject. If these collections have been made since the testimony was taken three months ago, I am glad of it; but even if the arrearages were paid in full there would not be a cent of profit to Pan American on the operation of this line.

Mr. HAYDEN. The testimony does not bear out that statement at all.

Mr. TYDINGS. Yes, it does. If the Senator will remain in his seat, I shall prove it.

Mr. O'MAHOONEY. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I will; but I do not intend to be put in a police-court argument by having one Senator change the subject while another Senator's question is still pending.

Mr. O'MAHOONEY. Mr. President, I resent the statement of the Senator. I am not putting the Senator from Maryland or anybody else in a police-court argument.

Mr. TYDINGS. I refuse to yield until I have answered the question of the Senator from Arizona. The Senator from Wyoming should have given me a chance to do that before asking if I would yield.

We are talking about monopoly; and if Senators do not remember any other part of what I say, I hope they will at least remember what I am now about to say.

As I have said, American Export Steamship Lines own American Export Airlines completely. American Export Steamship Lines have a monopoly on all the ocean traffic to and from Lisbon, Portugal, and the United States of America. Some time ago, when refugees were coming down through Europe to the shores of the Mediterranean seeking passage on boats, when the Government of the United States was trying to provide transportation, and was diverting ships so as to afford passage for refugees, some of whom were sure to be shot if they were captured, some of whom had been heads of governments and were in flight, the United States Lines, a rival concern, asked Export Steamship Lines for permission to have certain steamers call at certain ports in the Mediterranean and at Lisbon, Portugal, in order to transport these across the ocean. The matter was referred to the United States Maritime Commission, and the United States Maritime Commission said, "We have already given the right exclusively to the Export Steamship Lines to ply between Lisbon, Portugal, and the United States of America. So the United States Lines will have to see them."

The United States Lines did see them, and finally Export Steamship Lines gave the United States Lines permission to send its ships, the United States Lines' ships, over to that locality and bring these people to America, and charged it for that right.

American Export Lines sat in their offices; United States Lines furnished the ships; and, in round numbers, Export Steamship Co. made \$400,000 on the deal. It sold or sublet the privilege, which the United States Government had given to Export Steamship Corporation, to another company, United States Lines, for the privilege of running over this route, and now wants to share the remaining 30 percent of the business in the air with Pan American Airways.

What I have just said will not be disputed by any Senator on this floor. It is beyond the realm of argument; that is merely cold fact. There is no contradiction in all the testimony about that.

Now, where is the monopoly? Here is a concern, Export Steamship Corporation, which charges another concern, in a moment of great international turmoil, for sharing this exclusive route, and it now wants to operate in the air and share the 30 percent of the remaining traffic, at the expense of the Treasury of the United States of America.

Mr. HOLMAN. Mr. President, will the Senator yield for a comment?

Mr. TYDINGS. In a moment I will yield.

I wish to say parenthetically that the sole investment of the owners of Export Steamship Lines, from the stockholders' standpoint, is \$600; that is all—not \$6,000, not \$6,000,000, not \$60,000, but \$600. Last year the profits of the steamship company were \$6,000,000, on a \$600 investment.

Mr. NYE. Mr. President, in that connection, will the Senator yield?

Mr. TYDINGS. In a moment. And of that profit, \$1,200,000 came out of the Treasury of the United States, to the Export Steamship Lines, as a subsidy.

I yield to the Senator from Oregon first.

Mr. HOLMAN. Mr. President, I have been authoritatively advised that the Export Steamship Lines sold passage to 10,000 aliens, to the exclusion of American citizens who were in Portugal seeking passage to their homes in the United States, and that this practice was not reformed until the State Department insisted upon the cancellation of such bookings.

Mr. TYDINGS. I wish to correct a statement I made a moment ago, which the Senator from South Dakota has called to my attention. I stated that 70 percent of the traffic was now in the possession of the Export Steamship Co. and 30 percent was in the possession of the Pan American Airways. I was wrong. That was true as to 70 percent of the mail and passenger traffic, but all the freight traffic is in the hands of American Export Air Lines. It is only the passenger and the mail traffic that remains, and of that the Export people have 70 percent and the company which I am attempting to defend, in a sense, only the remaining 30 percent.

Mr. NYE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. NYE. I should like to inquire of the Senator from Maryland, if this contract should be awarded to the Export

Line, would it lie within the power of the Export Line to cover any losses in the transportation of mail by air, by resort to their profits from their steamship operations?

Mr. TYDINGS. The question is whether we should permit a steamship company to own a subsidiary air line, because it would be possible, were that air line in competition with other air lines, to take a loss on the operation of the air line and make that loss good out of the revenues of the steamship company until they stifled the competition of the rival air line, which had no well of money of that kind, in which case they would have a complete monopoly on the ocean and in the air. Yet we are asked to determine a policy of that kind without adequate hearings, in the consideration of an appropriation bill, without any authorization of Congress specifically dealing with the matter.

Now I yield to the Senator from Wyoming. I could not yield before, but I yield to him now.

Mr. O'MAHOONEY. I thank the Senator. My inquiry was intended to be directed to the subject he was attempting to develop. The Senator has undertaken to say that the Pan American Co. has been operating at a loss. Let me say, first, that when I speak upon this subject I do not do so as an advocate of the American Export Lines or as an opponent of the Pan American, but simply in behalf of what I conceive to be the best interests of the people of the country.

The Senator has said that Pan American is operating at a loss. In the twelfth annual report of the Pan American Lines, submitted by Mr. Trippe to the stockholders of Pan American, he declared that the trans-Atlantic line was being operated at a profit.

On the 1st of May this year the New York Herald-Tribune published a story having to do with the fourteenth annual report of the Pan American. If the Senator will bear with me I will read the first two sentences:

New records for earnings and services were established in 1940 by Pan American Airways Corporation in spite of the handicaps of disturbed world conditions and enhanced competition from European lines in South America. J. T. Trippe, president and general manager, disclosed in the thirteenth annual report, issued yesterday.

Net income, after taxes and so forth for 1940, was \$2,256,318, equal to \$1.19½ each on 1,887,355 capital shares outstanding. Net for 1939 was \$1,984,438.

My question to the able Senator from Maryland is, if Mr. Trippe testified in his annual report to his stockholders on the 30th of April 1941 that the net income of Pan American Lines was greater in 1940 than it was in 1939, and that in 1939 it was almost \$2,000,000, how does the Senator contend that the line is operating at a loss?

Mr. TYDINGS. What the Senator says is eminently true, but the Senator did not grasp what I was attempting to say. What the Senator has read are the figures for Pan American operations all over the world. What I am talking about are the operations of Pan American across the Atlantic Ocean. It is quite true—

Mr. O'MAHONEY. Will the Senator yield?

Mr. TYDINGS. As soon as I finish this thought I will yield. It is quite true that last year Pan American made about \$2,000,000. It is also true that in recent years the highest dividend they have paid is 2½ percent, which is not a large earning, considering the adventure, depreciation, eventual loss, and the condition of the world. They have paid dividends of only 2½ percent; that is all. Naturally people are traveling more and more in the air, and the company is now working toward the day when it can pay larger dividends than 2½ percent; but it has not yet reached that point.

I think that, as aviation expands and as revenues increase over expenses, what we will have to do will be to cut out the subsidy and not allow Pan American to make great profits. But until it is shown that by efficient operation they can make more than 2½ percent for the stockholders, I do not see how we can cut them down, unless we want to wipe out what they have done. Now I yield to the Senator.

Mr. O'MAHONEY. The Senator is making a very excellent and generous statement, but I doubt very much whether what he states would reflect the attitude of Pan American.

Mr. TYDINGS. I doubt it, too; but I am not working here for Pan American, I am making this fight for the taxpayers of the United States of America.

Mr. O'MAHONEY. That is what we are all doing.

Mr. TYDINGS. Certainly.

Mr. O'MAHONEY. Let me ask the Senator how it comes about that the president of the Pan American in his annual report for 1939 announced to his stockholders that the trans-Atlantic line was making a profit?

Mr. TYDINGS. I did not see that. I should be grateful if the Senator would read it.

Mr. O'MAHONEY. It is in the thirteenth annual report.

Mr. TYDINGS. I have that report on my desk.

Let me say that in answer to direct questions in the Senate committee hearings, which I cannot turn to immediately, the president of Pan American, who came before us, did not testify that his company had a profit. On the contrary, he said unless it could collect all the money that was owing to it the company would have a very serious loss. If the Senator will remember—I think he was present on the occasion to which I refer—it was testified that Pan American was setting up a reserve taken from the profits of its other companies as a cushion against a large part of the possible loss which it would incur if more governments fell by the wayside or refused to pay; that it would show in its statement on paper possibly a very small profit, hardly more than enough to pay operating expenses, assuming it got the money, but if it did not the company would have to go out of business, unless the other companies could chip in enough to tide it over and bring it up to the lifeline level again. The Senator recalls that, I am sure.

Mr. O'MAHONEY. The Senator from Wyoming recalls the testimony very well, and he also recalls that the changed aspect of things, from the report of 1939 until the date of the testimony, was brought about by counting as a loss the entire amount of foreign mail paid for, although that amount had been advanced by the Federal Government. Representatives of the Post Office Department testified at the hearing that the Post Office Department believes the sums to be collectible, and the evidence already brought before the Senate this afternoon by the Senator from Arizona [Mr. HAYDEN] indicates that they are collectible. Furthermore, it was also clear in the hearings, as the Senator from Wyoming recalls—

Mr. TYDINGS. The Senator is not asking me a question now. He is merely making a speech in my time.

Mr. O'MAHONEY. I acknowledge that. I do not want to interrupt the Senator's speech.

Mr. TYDINGS. I cannot make much of an argument if too lengthy statements are put into it. I do not say they are made by design, but they are very effective in destroying the logic or continuity of a statement.

Mr. McCARRAN. Mr. President—

Mr. TYDINGS. Just a moment. Now that the point has been raised, I hold in my hand some figures which I myself gathered from the testimony. I have not marked the page, I am sorry to say, but these are the figures: Pan American receives 40 percent of its revenue from carrying the mail east over the ocean; it receives 40 percent of its revenue from carrying the mail over the ocean in the opposite direction, and 20 percent of its revenue by carrying passengers. So if it were to lose the \$400,000 or \$500,000 or \$600,000, some of which has been owing for 21 months, some for 18 months, some for 15 months, and some for 13 months, it would lose a substantial part of the return revenues for bringing the mail from the other side to this country, which amounts, in all, to about 40 percent of the total revenue Pan American receives. So I do not believe it would be wise or good business to assume, merely because Pan American has been paid something on account by some foreign governments, that many of these bills will be paid in full. In my honest and deliberate judgment, and after listening to all sides of this case, I am confident that many hundred thousand dollars now owing to Pan American will never be paid. In the very nature of things they could not be paid until many years in the future, and only a supreme optimist would carry those assets as immediately recoverable.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WILEY. I take it that on the point of monopoly upon which the Senator has been speaking, there is also to be brought into the picture the fact that the steamship company which now wants to get into the field of aeronautics is also controlled by a great banking house of this country?

Mr. TYDINGS. I am coming to that if I have a chance, and also to indicate how \$600 was run up to \$6,000,000 at the expense of the Government. Certainly whatever Pan American has gotten from the Government has not been through any sort of high finance, as happened in the other case.

Mr. HAYDEN rose.

Mr. TYDINGS. I want to conclude this point, and then I shall yield to the Senator from Arizona. As I said a moment ago, when United States Lines asked American Export Lines for the privilege of sending many of its larger liners to Europe to bring passengers back, many of them American citizens, American Export Lines would not permit the rival line to go over there until it was paid liberally for it, even though American Export Lines itself could not furnish the service.

In order that Senators may see the picture as it was, let me quote from the testimony of Admiral Land, the Chairman of the United States Maritime Commission, before the Appropriations Committee:

Senator TYDINGS. Senator, may I interrupt? Would I divert you a minute if I would ask the admiral, as I know every member of the committee would want to hear it, if it is true that on this particular run where this concern now has a monopoly, so-called, it has been necessary to take the ships of other lines from time to time, in order to relieve refugee congestion, et cetera?

Admiral LAND. If you go back far enough, that is true. If you go back to the days before the Mediterranean was closed, you gentlemen will remember that United States Lines went into Genoa. There was a deal made between United States Lines and American Export, one of them being described as in the driver's seat. It was a pretty tough deal, but when it came before the Commission, we approved it just the same as if you two were private citizens and made a deal, and God knows if you are satisfied, there isn't any use of us crying our necks off because you got a trimming. But the financial part of that—

Senator TYDINGS (interposing). I thought the committee would be interested in hearing when the other line went on to relieve the very serious dangers to some of our citizens and friends there and what the Export Line imposed on the relieving company.

Admiral LAND. Those were normal trading conditions in which the boy who was in the driver's seat drove as hard a bargain as he could.

Senators, mark this:

Senator BAILEY. And he made them pay \$100,000 for the privilege.

Admiral LAND. I have the results of 11 voyages. Net profit after overhead, depreciation, and interest, \$902,140.52; distribution of net profit: United States Lines Co., \$476,895.81; American Export Lines, Inc., \$382,750.14; and American President Lines, Ltd., \$42,494.57.

Senator BAILEY. Who paid that?

Admiral LAND. They paid it themselves. The first thing, Senator, is \$902,140.52. That is the over-all figure. Distribution is in three parts.

Senator BAILEY. Let us see the distribution. Admiral LAND. United States Lines, \$475,000; American Export, \$382,000, and American President Lines, \$42,000.

Senator DAVIS. What line?

Admiral LAND. American President.

Senator BAILEY. The Export people got \$382,000 for doing nothing.

Senator TYDINGS. They sold the privilege which the Government gave them. They sublet the privilege which the Government gave them for a consideration.

Senator BAILEY. It was a Government privilege.

Senator TYDINGS. I would not call that a monopoly at all; I would call it a double monopoly.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield in a moment.

Mr. HAYDEN. Will the Senator read a few more lines?

Mr. TYDINGS. Mr. President, as a matter of absolute justice and fairness; as a matter of right or wrong, does this company come into court with clean hands? Does it seek to do equity? Does it ask for itself something which it is willing to concede to others?

When the United States Lines wanted to go on the route of American Export Lines in an hour of life-and-death struggle for many of our own citizens, American Export Lines exacted a tribute of some \$400,000 for the privilege of bringing our own citizens back to these shores. That is what happened when the United States Government wanted some other ships to go on the line on which American Export Lines held the contracts for carrying the mail.

Mr. HAYDEN. Mr. President—

Mr. TYDINGS. Just a moment. Now, it says, while still retaining that right without any interference from a rival line, that it wants to operate in the air and, without paying anything, take half of the remaining 30 percent of the mail business, so that it will have 85 percent all told; leaving to Pan American, the pioneer, the one which dared and made all the investment and made good, but 15 percent to live on.

Mr. HAYDEN. Mr. President—

Mr. TYDINGS. I yield.

Mr. HAYDEN. Let me read a continuation of the testimony of Admiral Land, immediately following what the Senator read. Admiral Land said:

Let us be fair to these people. You are coming back to Senator White's question. They have an approved line, route, and service, an approved operator on that; approved by law and approved by the Commission.

Mr. TYDINGS. So has Pan American.

Mr. HAYDEN. Admiral Land continued:

Now, then, United States Lines comes horn-ing in through circumstances beyond their control or yours or mine; in other words, the "black-out," and they ask for the privilege of going on here. To my mind they ought to pay something for the privilege. Whether they pay too much or too little, if it came to the Commission we would settle it to the best of our quasi-judicial capacity. If it didn't come to the Commission, it would be settled outside. Those were the results. Now, who got the trimming?

Nobody got any "trimming." They all made money. That is the testimony.

Mr. TYDINGS. According to the logic of my friend from Arizona, why should not American Export Lines pay Pan American when it shares the line in the air? Pan American has a so-called monopoly. It has the same right in the air that American Export Lines has on

the water. Why should we make fish of one and fowl of the other? If it be right in one case, why is it not right in the other?

Mr. HAYDEN. Because the Pan American Line is in Lisbon by the accident of the war. That is not a part of its route.

Mr. TYDINGS. It is there by the accident of the permission of the Government of the United States, just as the American Export Steamship Line is there.

Mr. HAYDEN. But it was not granted an exclusive privilege.

Mr. TYDINGS. It was granted just as much of an exclusive privilege as was American Export Lines. It could be revoked tomorrow morning. The Maritime Commission can take back any such privileges.

Mr. HAYDEN. If it does, it will give an exclusive right to somebody else.

Mr. TYDINGS. I come back to the same position. The Senator from Arizona, in opening the debate, over and over and over again decried the monopoly that Pan American has in the air, while failing to disclose that Pan American carries only 30 percent of the mail, and that the rival concern, which seeks to obtain dual rights in the air, already carries 70 percent of the mail on the bosom of the ocean.

If the proposed arrangement should be consummated the business would be shared, and the 70 percent, together with the 15 percent in the air, would give the American Export Steamship and Air Lines 85 percent of all the traffic, leaving 15 percent to Pan American. I shall not take the time to show how much that would cost Pan American, but I am fairly honest and conservative, if I am not convincing, when I say that Pan American cannot survive financially if this traffic is divided with any other line. There is not enough traffic there to support two lines. I give my solemn word that it is not there. I shall not bore the Senate with a mass of figures, because Senators would only go to sleep if I should attempt to show the situation by charts. I do not like to use that sort of an argument. However, Senators may take my word for it that there is so little margin of profit, if any, in the present operations of Pan American Airways between America and Europe, that if we should divide the traffic we would put that air line out of business financially unless the company wished to draw from other sources—credit or what not—sufficient to keep it going at a loss.

Mr. McCARRAN and Mr. NYE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield, and if so to whom?

Mr. TYDINGS. I yield first to the Senator from Nevada, and then I shall be glad to yield to the Senator from North Dakota.

Mr. McCARRAN. Mr. President, I wish to comment on the statement made by the Senator from Maryland that not only could Pan American not continue, but neither line would continue.

Mr. TYDINGS. That is correct.

Mr. McCARRAN. Both would go out of business, and we should yield to for-

eign countries and let them take over the business. That is proved by the history of the past. Great Britain had two lines running from Great Britain to the American continent. France had two lines, and Japan had three lines. Today they are waiting for an opportunity to bring those very lines into existence again. The moment they do so, we shall have competition not only between two American lines, but the two American lines will be competing against the foreign lines, which will destroy our lines and give the whole advantage to the foreign systems. I wish to emphasize what the Senator from Maryland says, that there is not enough traffic in the situation to warrant two lines being subsidized by the American Treasury.

Mr. TYDINGS. The Senator is correct. There is no dispute over that statement.

Mr. HAYDEN. There is a dispute.

Mr. TYDINGS. Let me ask the Senator in all candor if American Export Lines should put on three more trips and Pan American should have three trips, making six trips all told, would there be enough business to return each of them a profit on the operation of the air lines alone?

Mr. HAYDEN. Now—

Mr. TYDINGS. Will the Senator please answer the question "Yes" or "No"?

Mr. HAYDEN. I cannot answer it "Yes" or "No" because the question is not properly stated. If Pan American should put on four trips a week and the other line should put on one trip a week, the Post Office Department has found that there is business enough for both. The Civil Aeronautics Authority has found that there is business enough for both, and that competition is desirable. Those authorities which have studied the question both find that to be the fact. They do not base their finding on three trips by one company and three by the other. The finding is on the basis of four trips by one company and one by the other.

Mr. TYDINGS. What the Senator from Arizona says is true so far as it goes, but the Senator knows as well as I do that American Export Airlines have ordered three ships. Their representatives have very frankly testified that they want to put on the other two as fast as they can get them. They want to operate all three ships.

Mr. HAYDEN. No. The testimony is that one ship would be held in reserve, one would go one way each week, and the other would go the other way. That is all there is to it. There would be one trip a week.

Mr. TYDINGS. Every Senator old enough to wear long pants knows that they are not going into this business merely to make one trip a week. They want to make all the trips a week which the traffic will stand on the route developed by Pan American. If they were asking for the right to open up a new route and to pioneer in it, and we should grant them that right, and Pan American should come in and want to take that route away from them, I should be standing here defending them. They would have the right to have the benefit of their

service until some future development of aviation.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield in a moment.

The Senator says that American Export Airlines wants to run only one trip. According to the testimony, one trip by American Export Airlines would cost the Treasury \$29,418 a trip, while one additional trip by Pan American would cost only \$9,000 a trip. The reason for the difference is that Pan American already has the fields, the docks, the launches, the offices, and the handling facilities. So, if it should put on one more plane, the handling costs would be no more, in effect, than they would be for three planes. However, when a new company comes in it must develop all those facilities. So, in making only one flight a week, it is necessary to charge a higher rate. As the flights increase in number, the rate goes down.

Greater business makes cheaper business, and that rule is applied to this matter; so even if they made only one trip, it would cost the Government about \$800,000 or \$1,000,000 more a year than the cost of the same service by Pan American. In a time when we need every dollar we have, when we are going to have a tax bill that will raise \$3,500,000,000, when we will bleed the people white, in God's name are we going to put on their backs an unnecessary expense of \$1,000,000 a year, which we do not have to impose and when the service already being rendered can be more efficiently rendered the Government through Pan American Airways?

I now yield to the Senator from North Dakota.

Mr. NYE. Mr. President, the Senator has insisted that it was preposterous to expect that American Export Lines would be content with one ship a week. In the face of the testimony that has been afforded, would not the Senator be quite justified in anticipating that American Export Lines will not be content until it has a complete monopoly on carrying the mail as well as on ocean-going traffic over the Atlantic?

Mr. TYDINGS. Let us have no illusions on the subject. Both these companies are in business to make money, Pan American no less than American Export Lines, and neither one of them is altruistic; neither one of them is thinking primarily of such extraneous matters as we might call unselfish patriotism. I do not mean that they are not patriotic, but their concern is to make money. Why? Because if they do not make money they die. The Senator is exactly correct. In my opinion, the ultimate purpose of American Export Lines—the steamship line—after its gets that service established, is to cut rates, force Pan American off the airways, increase the number of its own planes, and wind up with a 100-percent monopoly, because it can absorb the losses in the air by the great revenue that is derived from its ships.

Mr. NYE. Precisely.

Mr. President, will the Senator further yield?

Mr. TYDINGS. I yield to the Senator from North Dakota.

Mr. NYE. Let me suggest to the Senator that as early as 1937 American Export Lines was pleading for legislation that would afford a complete monopoly on the ocean-going trade and on the air trade across the Atlantic.

Let me read from the record the testimony that was afforded before the Committee on the Merchant Marine and Fisheries in the House, when there was pending before the House committee the act amending the Merchant Marine Act of 1936. At that time Representative Sirovich inquired of the witness, who happened to be the executive vice president of American Export Lines, as follows:

Do not you think there would be a solution of the maritime chaos we have today if Congress enacted legislation and wrote into this bill specific regulations or instructions to the Maritime Commission to grant as far as possible every trade-route organization that operates between the United States and European countries preferential consideration for aviation, so that they can in that way develop both in the air and on the sea and get an advantage over European countries?

To which Mr. Slater, the executive vice president of American Export Lines, responded:

I certainly do.

Mr. TYDINGS. Of course he does.

Mr. NYE. So I insist there will not be contentment with one trip a week or contentment with sharing the air-going business across the Atlantic. There will be no contentment until they have a complete monopoly in that field.

Mr. TYDINGS. Will the Senator permit me to refer to something that came out in the debate yesterday? I did not have the figures available yesterday. I made the statement that the income from the sale of air-mail postage stamps for trans-Atlantic use was greater than the amount the Government paid to the air-line companies for carrying the trans-Atlantic mail. Last night I looked up the figures in the testimony of Mr. Purdum, I think, or one of his assistants; and the figures show that the Government received \$3,989,000 in postal revenues from the sale of trans-Atlantic air-mail stamps since the line was begun up until the time of the hearings, and in the meantime the Government had paid out \$3,733,000 to Pan American in subsidies for the service of carrying the mail, leaving \$256,000 in the Government Treasury as a so-called or actual profit on the transaction.

However, up to that time seven trips had not been paid for, but it is estimated that those seven trips would cost the Government about \$9,000 each; so even if we take those seven trips into consideration that would leave in the Treasury of the United States \$193,000 which the people of America have put there through the purchase of air-mail stamps, and which it has not been necessary for the Government to pay Pan American for the service rendered.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. TYDINGS. In just a moment. Yesterday a statement was made here as though this were a one-way transaction and as though the Government were pouring out a great amount of money and getting nothing back. Pan American is rendering a service for the subsidy. Air-mail service is not compulsory. Mail may be sent by steamship, but for one reason or another some persons are anxious to have mail delivered quickly and are ready to pay for it; and all the Government is doing is acting as an agent or intermediary in collecting the money and turning it over to Pan American, at the same time, if I may be permitted to say so, making a pretty good profit on the transaction.

I now yield to the Senator from Arizona.

Mr. HAYDEN. Mr. President, I am glad the Senator has made the distinction he has, that what he was talking about yesterday was merely the trans-Atlantic business.

Mr. TYDINGS. That is all that is before us.

Mr. HAYDEN. No; but the statement made yesterday by the Senator from Maryland subsequent to the statement made by the Senator from Wyoming [Mr. O'MAHONEY] was that the Government is making money on the Pan American service.

Mr. TYDINGS. May I ask the Senator from Arizona to state just what was the statement made yesterday by the Senator from Maryland?

Mr. HAYDEN. I will read the statement.

Mr. TYDINGS. The Senator from Wyoming and the Senator from Arizona both know that the Post Office Department, testifying before the Appropriations Committee, said that the revenue from the sale of air-mail stamps was larger than the subsidy.

Mr. TYDINGS. That is correct.

Mr. HAYDEN. The Senator from Maryland further said:

As a matter of fact, the Government is making money on the Pan American service.

Mr. TYDINGS. That is correct.

Mr. HAYDEN. The Senator also said:

It is not giving the Pan American anything by way of a subsidy for which Pan American does not render service.

Mr. TYDINGS. That is correct.

Mr. HAYDEN. What were we talking about? We were talking about the statement by the Senator from Wyoming that this company had received over \$90,000,000.

Mr. TYDINGS. He made that statement afterward.

Mr. HAYDEN. No; the statement of the Senator from Wyoming preceded the statement of the Senator from Maryland by several pages.

Mr. TYDINGS. I made my remarks before the Senator from Wyoming rose; because he rose to take issue with what I had said, and I said that what the Senator from Wyoming had said was true, but that he was taking into consideration the whole picture.

Mr. HAYDEN. No; the Senator from Wyoming made the following assertion, as shown in the third column on page 3556 of the RECORD for yesterday—

Mr. TYDINGS. I should like to see the RECORD.

Mr. HAYDEN. I show it to the Senator.

Mr. TYDINGS. Perhaps the Senator will proceed with his remarks while I will find the place.

Mr. HAYDEN. I shall be glad to do so. I desire to have inserted in the RECORD at this point a table showing that as of April 1941, the latest figures available, there has been paid to Pan American \$93,342,178.67, and that the mail revenue—that is, revenue from the sale of stamps—has amounted to \$40,914,978.79, and that Pan American has been paid \$52,427,199.88 more than the mail revenue for all its operations.

Mr. TYDINGS. How much did the Senator say?

Mr. HAYDEN. Fifty-two million four hundred and twenty-seven thousand one hundred and ninety-nine dollars and eighty-eight cents.

Mr. TYDINGS. That is a great deal less than \$90,000,000, which was stated here yesterday with all the forcefulness that could be lent to the remark.

Mr. HAYDEN. If the Senator will look at the RECORD he will see that I never accused Pan American of claiming to render service which the Government did not receive.

Mr. O'MAHONEY. And neither did the Senator from Wyoming.

Mr. HAYDEN. Of course not.

International Air Mail Service—Excess of cost over revenue during the fiscal years from 1930 to 1940, inclusive
[This includes Route F. A. M. 4, which ceased operation during the fiscal year 1933]

Fiscal year:	Pan American Airways	Pan American-Grace Airways, Inc.	Canadian Colonial Airways, Inc.		Total
			Excess of cost over revenue	Excess of revenue over cost	
1930 ¹	\$3,102,439.86	\$747,126.41	(9)	.....	\$3,849,566.30
1931.....	3,992,999.60	1,417,664.87	\$76,974.78	.....	5,487,639.25
1932.....	4,200,164.28	1,425,139.77	72,175.35	.....	5,697,479.40
1933.....	4,125,369.03	1,422,151.77	67,003.27	.....	5,614,524.07
1934.....	3,724,659.18	1,341,057.81	68,642.46	.....	5,134,359.45
1935.....	3,332,069.99	1,268,220.78	40,043.59	.....	4,640,334.76
1936.....	2,810,780.82	1,092,926.14	9,190.72	.....	3,912,897.68
1937.....	3,302,001.34	896,248.34	.....	\$3,787.50	4,191,522.12
1938.....	3,296,440.05	1,114,353.88	.....	5,269.52	4,408,524.44
1939.....	3,693,329.72	1,159,251.34	59,175.28	.....	4,911,756.34
1940.....	3,994,542.91	965,201.96	161,771.52	.....	5,121,516.39
Total.....	39,577,856.81	12,849,343.07	554,977.37	9,057.08	52,973,120.17
Amount actually paid.....	\$52,427,199.88	.....	.....	.....	.....
	² 93,342,178.67	.....	.....	.....	.....
Postage collected.....	40,914,978.79	.....	.....	.....	.....

¹ Not complete. ² Not available. ³ See table above.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. O'MAHONEY. Is it now understood, and are we all in agreement that there was a substantial payment in excess of the \$90,000,000 to Pan American on all its operations?

Mr. TYDINGS. I should prefer to ask the Senator are we in agreement that Pan American Airways has put more money into the Treasury than it has taken out for this trans-Atlantic service?

Mr. O'MAHONEY. I do not know where the Senator gets that idea.

Mr. TYDINGS. The Senator, who is an authority on this question, ought to be willing to answer that question.

Mr. TYDINGS. I am glad that is cleared up.

Mr. HAYDEN. I made my statement in order to clear it up; and I desire to have the tables referred to placed in the RECORD.

There being no objection, the tables referred to were ordered to be printed in the RECORD, as follows:

Statement showing amount paid to Pan American Airways and subsidiary companies and Pan American-Grace Airways from the beginning of service to end of April 1941

Route No.	Contractor	Amount actually paid
4	Pan American Airways, Inc.....	\$1,290,185.00
5	.....do.....	23,751,437.18
6	.....do.....	11,929,987.61
7	.....do.....	441,938.74
8	.....do.....	11,475,001.40
9	Pan American-Grace Airways, Inc.....	17,625,949.96
11	Pan American Airways, Inc.....	12,056,954.26
14	Pan American Airways Co.....	10,401,627.50
15	Pacific Alaska Airways, Inc.....	76,562.88
16	.....do.....	116,487.38
17	Pan American Airways Co.....	317,900.04
18	.....do.....	3,858,146.72
19	.....do.....	(?)
20	Pacific Alaska Airways Inc.....	(?)
		93,342,178.67

¹ Nothing has as yet been paid for the third weekly trips, pending the fixing of rate of pay by the Civil Aeronautics Board for 3-times-a-week service; 8 of these third weekly trips out-bound have been made from June 18, 1940, to Mar. 31, 1941.

² Nothing has as yet been paid on these routes pending the fixing of rate of pay by the Civil Aeronautics Board:

Estimated cost:	
Route 19.....	\$623,099.99
Route 20.....	90,754.21

NOTE.—Route 18 is the trans-Atlantic route. Route 4 discontinued Jan. 31, 1933.

ica, over the great stretches of South America, and out to little islands, such as Samoa, with 15,000 inhabitants, and Wake Island and other tiny little places separated by tremendously long distances, and to throw that in as of some force when it has nothing to do with the trans-Atlantic payments and receipts, which are entirely separate and in no way involved.

If the Senator from Wyoming and the Senator from Arizona had, in the committee when that very subsidy was up, sought to cut it down because money was being lost from the service on the Pacific or in Central America or South America, then they could in righteous indignation, stand on the floor of the Senate and make the argument they are making, but that is where the loss occurred and they never uttered a word about it. They never even discussed it in the committee, in fact, nobody did. But what we are discussing is an operation of Pan American by reason of which Pan American puts more money into the Treasury than it takes out of the Treasury. The two have no more relationship than Hitler has to Haille Selassie.

Mr. President, I referred a moment ago to the fact that the American Export Steamship Line had sprung from a small investment of \$600—that is all, \$600—and that last year its profits were approximately \$6,000,000, of which \$1,200,000 was paid to the Export Steamship Lines by a subsidy out of the Federal Treasury—\$1,200,000 to a concern that was making \$6,000,000 on a \$600 investment. That is the concern that today asks the Government of the United States to give it \$29,000 for a trip when the Government can buy the same service for \$9,000 a trip.

If these were normal times it would be difficult to maintain the point of view of the Export Airlines, but at a time after 10 years of continued deficits, when we are almost in the war, according to the debate on the floor of the Senate this afternoon, when we are spending money by the billions of dollars, when we have undertaken to finance governments, God knows where, that are actually at war, to spend a million dollars for a service which can be had without spending the million dollars to me is the height of assinnity.

To ask the people of this country to put up a cent a head—that it what it mounts to, one cent a head—in order to give this great advantage to the Export Air Lines is nothing more nor less than the height of assinnity. I do not believe the Senate will take such action. The House of Representatives unanimously refused to do it. The same proposal was put before the House Appropriations Committee and was turned down unanimously. It failed in the Senate Appropriations Committee of being turned down by only a single vote.

Mr. President, there is one theoretical phase of this matter about which I should like to speak briefly; then I shall be through. For what is a subsidy paid? What is the purpose of a subsidy? Is it paid because we like to take money out of the Treasury and put it into the hands of some citizen? Of course not. The only

justification, under God's heaven, for a subsidy is to buy some service for the Government which cannot otherwise be obtained. That is the only reason for it. If our steamship lines, under the laws Congress has enacted and the restrictions it has put on certain phases of steamship activities, could operate in competition with foreign countries, then we would not provide any subsidy; but we cannot have ships, we cannot operate ships in normal times unless we pay some money to them, because American wages, insurance charges, and other conditions require American ships to have a heavier overhead than their foreign competitors have. So the only reason in the world for a subsidy is to purchase a service which could not be obtained without the subsidy.

We have such a service with the Pan American Airways. We have already bought and paid for it; it is already in existence. We can obtain from Pan American the additional service for \$9,000 a trip. We can get one more flight across the ocean every week for \$9,000 a flight. If on the other hand, Pan American is denied the opportunity to make that flight, and it is insisted that the Export Air Lines make it, it will cost the Government \$29,000 a flight. In other words, we will spend \$20,000 more a flight to buy a service which the Government may need than we need to spend in order to acquire or retain or obtain that service. I cannot see, for the life of me, why there should be any question about this matter. I cannot see, for the life of me, why anyone should want to spend \$29,000 more for a service that will not be any better than one which can be obtained for \$9,000. If in private life we should pursue the course of paying from one and a half to three times as much for a thing as we needed to pay for it, how long would we be out of the bankruptcy court? In view of the financial situation of the Government, it seems to me that there can be absolutely no justification for this additional extravagance at this particular time. There is no excuse for a subsidy, anyway, unless the only way the Government can obtain a service it desires is through the payment of a subsidy, and once the Government has the service, there is no excuse for it paying two or three times what it needs to pay in order to acquire additional service.

Mr. President, I desire to come back to the testimony concerning the \$600 investment. And I hope the Senate will bear with me for a moment, for it is a little difficult to find data during the course of a debate offhand, but I will have it in a moment or two. In the meantime, while the Senator from South Dakota, I think, will cover the matter to which I am about to refer more thoroughly than I will, let me, in passing, say a brief word about the kind of airplanes which are flying on this route.

Pan American has put in an order aggregating \$5,100,000 for six planes. They will be delivered in March, April, May, June, and July of this year—\$5,100,000 for six planes. The Export Air Lines have put in an order aggregating \$2,100,000 for three planes, but they will not be delivered until October of this year

and January and March of next year. It will be next October before they can perform the service with one of these big planes, anyway.

The Pan American Line planes are four-engined, six double-deck ocean transports, of 84,000 pounds gross weight, against 57,000 pounds for the Export Air Lines planes. In other words, the Pan American ships are approximately 80 percent larger than those of the Export Air Lines. They are faster; they are safer; they have every advantage over the planes of the other line.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. HAYDEN. The Senator mentions safety. I inquire can these very large ships, which are supposed to fly the Atlantic in the stratosphere in some 10 hours, land and rise from water?

Mr. TYDINGS. I talked to several aviation experts about that. Of course, they cannot, and neither can the flying boats, so the experts say, if they go down to the water.

These airplanes can proceed under two engines, they can proceed under three engines, and the ships now being flown are so designed that if one engine ceases to function men can go into the wings, take the engine apart in some degree, and recondition it and fix it, all while the ship is in motion. Engines frequently have gone out of operation for long periods of time on trans-Atlantic flights; but they have been fixed by highly skilled mechanics, who can go to an engine and take it apart, and, while remaining in constant telephone communication with the pilot, readjust the engine and get it going again.

Airplane engineers tell me that on the big planes which fly 250 and 350 miles an hour, and which are designed to fly from New York to London in 10½ hours, such planes as are now on order and are now being built, a boat is of no value at all. If the plane could be landed in the water at all, while in a short while, perhaps, it would sink, there would be sufficient time to give the passengers a chance to get on life rafts of rubber, or such equipment as could be unloaded.

Mr. HAYDEN. Mr. President—

Mr. TYDINGS. Just a minute. The Senator asked me the question; let me give him the complete answer. Airplane engineers say the chances are that if any one of the big planes had to go to the water, it would be no better off with a boat than without a boat; that the whole factor of safety depends on having engines, any two of which can pull the load, any three of which can pull the load, or all four of them; that that is the factor of safety which is more important than the landing apparatus.

Mr. HAYDEN. I have now found the reference to the hearings where the Senator from Maryland asked:

Is it not also a fact that the Boeing type—that is, the Pan American type—is vastly superior in every respect for the work for which it was designed than the other ship?

Mr. TYDINGS. Who is testifying?

Mr. HAYDEN. Commander Sherman, on page 236.

Mr. TYDINGS. Oh, do not tell me about that man. If ever in my life I saw a witness who was partisan, and who was put on the stand deliberately to make out a case, he was the man. I did not consider his testimony worth 5 cents.

Mr. HAYDEN. I thought his statement was very fair. He said:

However, my experience with patrol planes in general leads me to believe that the Sikorsky is the more seaworthy of the two types. That, of course, is a matter on which there is a great deal of disagreement.

Then I said:

By "seaworthy," do you mean ability to rise from the ocean?

Commander SHERMAN. In my opinion, the type of hull which the Sikorsky has is better able to land, taxi, take off, and survive in a rough sea, but that opinion is apparently not shared by the Pan American engineers.

I think that is a very fair statement; but it is clearly contemplated by the testimony that the Sikorsky plane can rise from the water, and it is not contemplated that a Pan American plane can rise from the water.

Mr. TYDINGS. Mr. President, that is the Navy Department, so-called, speaking. When it was learned the Navy was in favor of this item, a commander in the Navy came here; and, in my opinion, if he was a good witness, he seemed most reluctant to testify until he had cogitated a very long while. He was one of the most unresponsive witnesses I ever saw in my life.

I do not know a great deal about planes; but here is a 4-engine plane of 57,000 pounds and 4,800 horsepower which he says is superior to a plane having 6,200 horsepower and weighing 84,000 pounds. One has 50 percent more horsepower and about 50 percent more weight than the other. In other words, it is a bigger, wider, more roomy, and faster plane—the last word in airplanes. He says that plane is not so good as a plane that was developed 2 years ago. Perhaps he is right; but I say that most of the airplane engineers are against him.

Mr. President, while I am looking for this matter, let me say that I have a telegram from General Marshall and Admiral Stark—one the Chief of Staff of the Army and the other the Chief of Naval Operations—testifying to the splendid work that Pan American Airways has done. I send the telegram to the desk and ask to have it read.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Without objection, the telegram will be read.

The legislative clerk read the telegram, as follows:

WASHINGTON, D. C., May 2, 1941.
Senator MILLARD E. TYDINGS,
United States Senate,

Washington, D. C.:

Referring to your telegram concerning Pan American Airways, we agree with you that company has done, and still is doing, a service of great value to the national interests and to national defense. It has cooperated with the Army and Navy, and upon many occasions rendered special and essential services of a high order of importance. We consider both its directing and operating personnel efficient.

G. C. MARSHALL.
H. R. STARK.

Mr. TYDINGS. Mr. President, at the hearings before the Appropriations Committee I took a transcript of the report which Export Steamship Lines had filed with the United States Maritime Commission, and from it read certain excerpts which, if Senators have not the whole picture, may be a little difficult to understand, but showing that \$600 is the sole investment of the backers of Export Steamship Co. in this line, so far as their record goes, and that out of that investment they have made a very phenomenal profit. I am very glad they have. A great deal of it has been due to good management as well as to vision. I cannot escape the fact, however, that the Government of the United States has been paying \$1,200,000 a year to the company in subsidies.

From this long report I read one paragraph, which, perhaps, will give a picture of what really happened:

The cash required for the purchase of the above-mentioned certificates of participation and stock was raised by American Export Lines, Inc. (Delaware), by borrowing approximately \$190,000 from banks, and by the sale to a syndicate composed of 15 individuals, firms (including Lehman Bros.), and corporations of a total of \$500,000 principal amount of notes, which were sold at par, and 1,000 shares of capital stock. Of the 1,000 shares of stock, 600 shares were sold at \$1 per share—

Of the 1,000 shares of stock, representing all the stock issued and outstanding, 600 shares were sold at \$1 a share—

but only in units of a \$5,000 note and 6 shares of stock, or a total of \$5,006. The remaining 400 shares of capital stock were sold at \$1 per share—without notes—

Follow me, without notes—

to Lehman Bros., managers of the syndicate. From this block of 400 shares, Lehman Bros. sold 165 shares at \$1 per share to W. H. Coverdale, who at that time was president of The Export Steamship Corporation. The sale by New York Shipbuilding Corporation of the stock of The Export Steamship Corporation and the purchase thereof by American Export Lines, Inc. (Delaware), are the subject of a suit by the executors of the will of a former owner of the stock, in which damages in the amount of \$4,382,500 are claimed.

I do not want to reflect on these gentlemen, because there is nothing dishonorable about this transaction so far as I know; but, the truth of the matter is that they have only a \$600 investment, and I have already put in the RECORD their profits year by year, which, according to the United States Maritime Commission, for the year 1940, were approximately \$6,000,000, of which \$1,200,000 was a part of the profit, through the medium of a subsidy paid to the shipping company by the Government of the United States.

I have likewise shown that when Export Steamship Co. was asked to share its run by United States Lines, it refused to give that privilege to United States Lines until United States Lines had paid handsomely for it. It did not want any competition on its line between here and Portugal. It said, "That belongs to us. It has been given to us by the Maritime Commission. You dare not come in without paying us for it." That is the same concern which now asks the Government of the United States to permit it to go in the air and share the remaining 30

percent of the mail business with Pan American, at a cost of \$20,000 a trip more than we need pay if we stick to Pan American instead of the Export Air Lines.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. PEPPER. I merely want to ask the Senator two or three questions.

Mr. TYDINGS. I shall be delighted to have the Senator ask me the questions. If I can answer, I shall be glad to do so.

Mr. PEPPER. In the first place, does the Senator know of any evidence establishing the fact that the service designed over the route proposed to be covered by these companies is either not being afforded by the existing company, or the existing company cannot afford it?

Mr. TYDINGS. On the contrary, the existing company is in a position to furnish the service almost immediately, whereas Export Air Lines cannot furnish it, with new and modern planes, until some time in the future. The facilities are available for the furnishing of the service now at both ends by Pan American Airways. I do not think they are available at both ends, particularly on the Portuguese end, to the Export Airlines, should they get the franchise. They would have to acquire a terminus over there after they got the franchise.

Mr. PEPPER. If additional service were desirable, by which company could the service be more adequately provided?

Mr. TYDINGS. The service could be more adequately provided by Pan American, beyond the shadow of a doubt.

Mr. PEPPER. A third question: Does the Senator know what the rule of the Maritime Commission is relative to granting a subsidy to an additional ship line to cover a route which is already served by an existing line?

Mr. TYDINGS. I am greatly indebted to the Senator from Florida, because he has directed my attention to something which I think is of equal importance to anything in this whole picture; that is, the testimony of Admiral Land. Admiral Land came before the committee and said it was the policy of the United States Maritime Commission, without any exception, to grant a franchise or a subsidy or a route to only one American steamship company, and allow no other American steamship company to compete on that route, that is, between any two ports, for example, New York and Lisbon. Admiral Land proceeded in great detail to tell why it was sensible to do that. He said it was because that was the universal policy of every other country in the world. The English, the French, the Germans, the Swedes, the Norwegians, the Japanese, the Greeks, the Portuguese, the Spaniards, the Italians, had only one air line and one steamship line running from one of their ports to a port in a foreign country. Therefore, there being but one line, there was cut out every bit of extra expense which would be occasioned if two lines ran from one place to the same foreign port. It would take two sets of officers, two sets of offices, two sets of termini. It would take two repair shops, it would take a duplication all the way down the line, and he said that competition was

so keen in the international field that the United States had been forced to adopt the same policy, in order to keep its subsidies at a minimum.

Admiral Land had no more to do with this air subsidy than any other department of the Government, because Admiral Land is in charge of water operations only. But we called him before us because it was the case of a steamship line owning completely an airplane line which was applying for a subsidy from the Post Office Department. That is how he came into the picture.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. PEPPER. If competition with an existing carrier were to be allowed, would it be unfair, in the opinion of the able Senator, to let the point of competition be the point at which the existing carrier reaches economic maturity?

Mr. TYDINGS. I think there can be but one answer to the Senator's question, that is, that the existing carrier must reach economic maturity, or the whole venture is destroyed.

Unless there is some other question, in conclusion I should like to leave one thought with my colleagues, for other Senators will touch on other phases as important as some of those I have briefly mentioned. If these were normal times, or if the American Export Airlines were asking for a franchise to pioneer to some port which is not now being served, there might be some justification for this venture. I certainly would favor helping them out if they were going to connect the United States with some foreign port which was not now connected with us by air, if the proposition looked at all feasible. But that is not the question before us. That is not even a remote part of this proposition. There is no new service this concern is to render, and how in the name of common sense the Members of this body who are shortly to vote for a \$3,500,000,000 new tax bill, which will touch the pocketbook of every person in this country, directly or indirectly, can vote to throw away a million dollars unnecessarily, getting no more service than could be obtained without the expenditure of that million dollars a year, is simply beyond my comprehension.

The Post Office Department did not go into the mechanics of this proposal. They are scared to death for fear they will be charged with not giving some concern in a position to render service equal treatment with some other concern. They do not want to be charged with fostering this or that company.

The Maritime Commission were not consulted in this matter. The Civil Aeronautics Authority will in effect advocate and recommend and encourage any airplane company to pioneer. What we have really learned from this matter is that hereafter in the field of international transportation we will have to set up a central agency which will consider not only sea transportation but the air and the other means of transport. We have outgrown the separate agencies, because they are now beginning to overlap, and one system of transportation is growing out of another.

For the reasons I have stated I hope the Senate will vote "no" and reject the amendment, believing that every substantial interest of our Government will be served by its defeat, that economy will be effected, and that justice will be done to a concern which has won the admiration and respect of the people of America, the Pan American Airways Co., in this great trans-Atlantic venture.

Mr. WHITE. Mr. President, I have no purpose to discuss the operations of the two companies here involved. I regard as relatively unimportant the question of the subsidies each of them has received from the Government over the years. I shall not talk about the subsidies paid to the Export Co. through the construction loan fund under the 1920 legislation, as it was thereafter amended from time to time. I shall not talk about the mail subsidies paid to the Export Co. under the 1928 act, or the operating or construction subsidies paid to them under the 1936 act.

I have no interest at the moment in the subsidies paid to Pan American for their pioneering efforts over the years. I am interested in this proposed legislation, and the conclusion I have come to has been dictated by what I believe to be considerations of principles and of practices to which we have given loyalty in the past, and which I think are challenged by the pending proposal. I think it is not necessary to know any great number of facts to reach a sound conclusion about this matter. It seems to me all we need to know is that this amendment proposes to authorize a steamship company of the United States, drawing a subsidy from the Government of the United States, to own and control another form of competitive transportation. I think it is only necessary that we should know the further fact that we are now proposing to pay a subsidy or subsidies to two competing American companies in the same service. Both those proposals, I think, run counter to principles established by the Congress and to practices followed by our regulatory bodies during recent years.

I think all Senators have in mind that certainly since the Panama Canal Act of 1914—and I do not know but that it appeared in prior legislation—Congress has declared it to be unlawful for a rail carrier to own or control a water carrier traversing the Panama Canal or elsewhere which might be in competition with the rail carrier. That principle has been written into our law for all of 35 years of time; and, for myself, I am not willing at this moment to see that principle disregarded and changed by another act of the Congress. That principle received confirmation and strengthening in the transportation legislation passed at the last session of the Congress. I think it is a principle to which we should give continued respect.

Then let us consider the field of aviation. In the Civil Aeronautics Authority Act we paid deference to that same principle. We provided in that act that any other common carrier than an air carrier should not acquire and should not

own and should not control an air carrier in any way whatsoever.

When we came to the matter of regulating communications by our 1927 Radio Act—and the provision was carried forward in the 1934 Communications Act—we declared that a radio company should not own or operate or have control over a wire company, and, by the same token, that a wire company should not own or acquire control of or operate a radio company.

There is provision in the law granted to the regulatory body to make an exception in these cases, but I think the very exceptions themselves prove the validity and the wisdom of the general principle we laid down, that one common carrier should not control, own, or operate a competing carrier in another form of transportation or of communications.

When it comes to water-borne commerce I do not recall immediately that there is in the Merchant Marine Act of 1936 a definite denial of the right of a water carrier to acquire some other agency of transportation, but I do know that in many of the sections of that act there is evidenced the anxiety of the Congress that a contractor receiving a subsidy from the Government of the United States shall not become involved in undertakings of another sort which might divert it from its prime purpose and avoid its prime obligation to serve the maritime interests of the United States.

It seems to me that in the pending proposal there is involved a definite rejection, a definite abrogation of the principle to which I have alluded, and which I think we have followed for, as I have said, at least 35 years, and which has been found to be sound through all that time, which is sound today, and which ought to have the respect of the Congress today as it has had in the past.

I have referred to practices which I think are proposed to be disregarded by this legislation. I have already alluded to communications, pointing out that we have laid down the principle in our law that a radio company should not acquire a wire company and that a wire company should not acquire a radio company, but that they should be competitive and remain competitive.

In the field of foreign communications by radio we have had one very interesting case. That is what is known as the Oslo case. The Radio Corporation of America maintains a direct service from the United States to Oslo, Norway. In process of time what is known as the Mackay interests made application to the Federal Communications Commission for permission to extend their service to, I think, Copenhagen, into Norway, to provide a competitive service with the other American interest operating to Oslo and back. That case was before the Communications Commission for a substantial time. There were long hearings and lengthy arguments. The Commission in that case decided against granting to a second American company the right to enter into competition with an existing American company in the foreign field. The Commission held in that case that

the competition was uneconomic, that it was wasteful, that it afforded to the foreign government the opportunity to trade one American company off against the other, and to drive harder and harder bargains with respect to traffic than if a single American company were in the field. That case went to the Court of Appeals of the District of Columbia, and the action of the Commission received the approval of the court.

When it comes to water transportation there has been a similar practice. It has been referred to here. Ever since the Merchant Marine Act of 1928 was passed it has been within the authority of the Maritime Commission, or originally the Shipping Board, to determine what were the essential routes upon which American vessels could operate. When the authorities had once determined what was an essential route under the law, they have been authorized to grant a subsidy to the American company operating upon that route; and, with a single exception, all through the years the maritime authorities have respected the principle, or followed the practice, I would better say, of lending their strength and their encouragement and providing American money, money of the Government, to the maintenance and the expansion of one American service upon a route which they deemed essential to the interests of the United States and the commerce of the United States.

Mr. McCARRAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. WHITE. I yield.

Mr. McCARRAN. I do not want to break into the Senator's thought, but what I wish to say comes into this question in keeping with the hearings before the committee. I suggest it to the Senator, who is an authority on maritime law, and for whose authority in that regard I have a great respect, a situation which has presented itself. It has developed that the American Export Lines has a monopoly, as I choose to use the term, on all transportation by water from American ports to Mediterranean ports and to Lisbon, Portugal. That monopoly has manifested itself to such an extent that during the time when refugees sought to leave Europe at the outbreak of the present war American Export Lines did not have ships in sufficient number or of sufficient capacity to transport the refugees from Mediterranean ports or from Lisbon to the United States. So the United States Lines—a shipping line—sent its ships into Mediterranean ports and carried refugees from Mediterranean ports to American ports. American Export Lines—as illustrative of their monopoly with respect to those ports, which monopoly was acquiesced in by the mandate and direction of the American authority—made a demand on the United States Lines and received from the United States Lines \$400,000 for transporting refugees from the Mediterranean ports to America. I wonder if that is in keeping with the thought which the Senator is developing.

Mr. WHITE. I understand the facts to be as the Senator states them. But

what I was undertaking to say was that during the years it has been the practice, acquiesced in by the Congress, that our Maritime Commission should afford a subsidy to only one American company in a given trade route or trade range, on the theory that it is necessary that every resource of the Government shall be made available to support an American company undertaking to sustain itself in the foreign trade against foreign competitors who are always found in the trades of the world.

Mr. President, it seems to me that the pending amendment runs counter to the principles and practices of past years. I do not propose to urge at the moment that those practices are right, nor do I want to concede that they are wrong; but I do say that if they are to be changed, the change should be made following a study and recommendation by a legislative committee of this body.

I very much regret that the action by the Appropriations Committee bringing in this item has raised what I consider to be basic questions of American policy in the foreign field. I cannot vote for the committee amendment. I have the greatest admiration for American Export Lines. I have known something about that company from its earliest days. I know it has done a great job for the American merchant marine. It has expanded trade in the Mediterranean. I have seen its ships in the ports of the Mediterranean area. I have seen the products of America carried to the far eastern ports of the Mediterranean by the ships of American Export Lines; but I think that in the present instance American Export Lines has made a grievous mistake and has opened up a Pandora's box of troubles. I very much hope we may avoid some of them by rejecting the amendment.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. HAYDEN. What puzzles me is how we are to get out of the dilemma in which we find ourselves. I thoroughly agree with the Senator that this is a matter which should be determined by the legislative committees of the House and Senate. Are we to have one airplane company doing all the business outside the United States, or, as a matter of policy should we divide up the routes in different parts of the world, as we do with shipping?

Mr. WHITE. I was confining myself to a particular route. I am rather definitely of the belief that we do not want to undertake out of the Public Treasury to sustain two American companies in competition with each other upon a particular route, but that does not mean that I favor one company on every route all over the world.

Mr. HAYDEN. The Senator has devoted a great deal of time and study to the problem of ship subsidies, and probably knows that subject better than does any other Senator.

Mr. WHITE. I should have to deny that.

Mr. HAYDEN. Does the Senator believe that the same principles which apply to shipping should be applied to

transoceanic flying? That is to say, should there be one subsidy on one line, with separate routes given to different companies, just as we do on the sea?

Mr. WHITE. I am in favor of establishing routes in the air for the air service, and my inclination is to insist that we ought to have but one American company on a given route. Whether the same American company should serve on another route is something else that I think would depend entirely on the service it was able to render and a great many other considerations; but, as a matter of fact, I think one American company can give the Government of the United States all the concern it ought to give in making certain that that American company will be efficiently operated, that it will expand and develop with the art, and that it will carry American-flag ships to the ports of the world in competition with the ships of other nations. I am now speaking of airships.

Mr. HAYDEN. There are two questions involved. The first is whether a steamship company should be permitted to have any interest in an air line.

Mr. WHITE. I think the Senator will agree that that is a matter of policy.

Mr. HAYDEN. That is a matter of policy to be determined.

Mr. WHITE. I think the Senator must agree with me when I say that I regret that a matter of basic policy should be determined by the Appropriations Committee rather than by a legislative committee of this body.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. McCARRAN. I am now addressing myself to the last expression of the Senator from Maine, in which he declares that the question under discussion is a matter of legislative policy. The Congress has established that policy by the Civil Aeronautics Authority Act.

Mr. WHITE. I agree with the Senator.

Mr. McCARRAN. That act specifically declares that no surface line shall control an air line.

Mr. WHITE. I should say without any hesitation that I think the spirit, purpose, and intent of the law were utterly disregarded by the Civil Aeronautics Authority when it determined that there was no acquisition of an air carrier by a steamship carrier.

Mr. McCARRAN. Let me follow that question with one further point. I entirely agree with the Senator from Maine.

This is a picture which the Senator from Maine may not have grasped: Five members constitute the membership of the Civil Aeronautics Board, and only two members rendered the decision in this case. A third member rendered a dissenting opinion, and two other members did not participate, which indicates to me that the policy of the Congress has not been followed by the Civil Aeronautics Board.

Mr. WHITE. I understand the facts to be as the Senator from Nevada has stated them, but I was trying to keep away from details and simply give my idea as to the principles involved.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. O'MAHONEY. I wish to make one comment upon the subject matter of the recent colloquy between the Senator from Maine and the Senator from Nevada. I think it ought to be understood that, while the facts are exactly as the Senator from Nevada has stated them, so far as his statement goes, there are other facts which should be borne in mind.

First, the steamship line, American Export Lines, had established the air line before the Civil Aeronautics Act was passed.

Mr. WHITE. I understand that.

Mr. O'MAHONEY. In other words, before Congress had declared its policy that a common carrier should not acquire an air line, the steamship line had established the air line. It was upon that point that the two members of the Civil Aeronautics Authority held that the policy laid down by Congress was not retroactive, and did not prohibit an act that had already taken place. Of course, the question is now in the courts for determination and, whichever way it is determined, the decision would not, in my judgment, affect at all what is being done here.

Mr. WHITE. I feel precisely as the Senator from North Carolina [Mr. BAILEY] expressed himself yesterday, that the decision of the Civil Aeronautics Authority was ridiculous and absurd.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHITE. I yield the floor.

Mr. McCARRAN. I desire to address myself to the last remark made by the able Senator from Wyoming—that it makes no difference which way the court decides this matter. If the court decides that two members of a board of five had no right to render that opinion, and if the court decides that the minority opinion is correct, then, of course, anything that we do here would be a vain act, because there would be no certificate of convenience and necessity issued by the Board. In other words, I contend, and I shall contend in my presentation of this matter—which I hope may be either today or tomorrow—that two members of a board of five never have a right to render the decision of that body. No certificate of convenience or necessity has been legally issued in this connection. Hence, there is nothing before this body.

Mr. O'MAHONEY. Mr. President, may I have the attention of the majority leader? I had understood that the Senator from Kentucky was about to submit a proposal for a unanimous-consent agreement.

Mr. BARKLEY. Yes, Mr. President; I have been trying to arrange an agreement for a time to vote tomorrow on the pending amendment. I ask unanimous consent that at not later than 1 o'clock p. m. tomorrow the Senate proceed without further debate to vote on the pending amendment. I desire to make the request subject to this contingency: The Senator from North Dakota [Mr. Nye] has left the city, and my understanding is that he will be back early tomorrow

morning; but before leaving he spoke to the Senator from Vermont [Mr. Austin] about desiring to have 10 minutes on the pending amendment tomorrow, and the Senator from Vermont was not certain at what time the Senator from North Dakota would return. I have conferred with the office of the Senator from North Dakota and have ascertained that he will be back early in the morning; so I make the request subject to the contingency that if the Senator from North Dakota should not return in time to make his 10-minute speech before 1 o'clock the time will be extended sufficiently to enable him to do so.

Will that be agreeable?

Mr. McCARRAN. I could not understand the Senator's last remark.

Mr. BARKLEY. The request is that at not later than 1 o'clock p. m., tomorrow the Senate vote on the pending amendment, with the contingency that if the Senator from North Dakota [Mr. Nye], who desires to speak for about 10 minutes on the amendment, shall not return in time to do so before 1 o'clock, we will extend the time sufficiently to allow him to occupy the floor before the vote is taken.

Mr. McCARRAN. I have no desire to object. I rather desire to go ahead and to agree, except that I wish to be heard for a reasonable time tomorrow in the presentation of this matter as I view it as a member of the committee and as one much interested in civil aeronautics.

Mr. BARKLEY. I have no desire, as the Senator knows, to shut off anyone; but I have thought it desirable to obtain a definite agreement, if possible, to vote at 1 o'clock; and I hope we may do so.

Mr. McCARRAN. I should like to know the view of the Senator from Maryland [Mr. Tydings] on the subject.

Mr. TYDINGS. Mr. President, while the Senator from Nevada was talking, I was thinking that if the Senator from Kentucky would put in his request a proviso that the time shall be equally divided between the proponents and the opponents of the amendment, it would insure that the Senator from Nevada and perhaps one other Senator who may desire to speak would have a chance to be heard, unless they should desire to speak more extensively.

Mr. McCARRAN. I think about 15 minutes is all the time I should care to have.

Mr. BARKLEY. I am perfectly willing to modify my request so as to provide that the time shall be equally divided between the proponents and the opponents of the amendment.

Mr. NORRIS. Mr. President, what time will be left—1 hour?

Mr. BARKLEY. One hour.

Mr. NORRIS. I wonder whether, in view of the practice and custom here, that would insure more than one Senator's making a speech tomorrow.

Mr. BARKLEY. Yes; it would insure two doing so.

Mr. NORRIS. I do not understand why that is.

Mr. BARKLEY. If the time is equally divided, there would have to be at least two speeches, one on each side.

Mr. NORRIS. If one Senator took up an hour there would not be much time left for the other Senator.

Mr. BARKLEY. Under the agreement, he could not do that.

Mr. NORRIS. I thought he could.

Mr. BARKLEY. No; he could take only half an hour.

Mr. AUSTIN. Mr. President, I cannot agree to the request. I have reason to believe that there are other Senators besides the Senator from North Dakota and the Senator from Nevada who wish to discuss the matter from the same point of view; and if the agreement amounts to a limitation of debate to 30 minutes I know it is folly to enter into it.

Mr. BARKLEY. I am perfectly willing to agree that the Senate shall meet at 11 o'clock tomorrow in order to give time for a 2-hour discussion of the amendment. I should like to have the Senate vote on the amendment by 1 o'clock.

Mr. AUSTIN. I myself have no objection to such a program; but I desire to save the agreement I had previously made with the Senator from North Dakota [Mr. Nye]. I do not desire to go back on that agreement in making a new one; and if we should agree to vote not later than 1 o'clock, the agreement would be subject to the contingency that the Senator from North Dakota be here.

Mr. BARKLEY. That is all right. I will agree to that.

Mr. AUSTIN. I do not desire, by that agreement, to have the interpretation placed upon it that if we sit here waiting for the Senator from North Dakota, no other Senator may address the Senate upon the pending amendment.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TYDINGS. This is pure presumption on my part, and I hope the unanimous-consent agreement will be entered into; but if it is entered into I should appreciate having those who desire to speak against the adoption of the amendment communicate with me, because, having taken considerable time in speaking on the amendment, I should like to do what I can to divide the time so that those who desire to speak on the amendment may have an opportunity to do so. I think we can see that the Senator from Nevada [Mr. McCARRAN] has half an hour's time, if that would be sufficient.

Mr. McCARRAN. Twenty minutes is all I desire to have.

Mr. TYDINGS. That would take care of the Senator from Nevada.

Mr. McCARRAN. That is satisfactory to me, so long as I have that opportunity.

Mr. ADAMS. Mr. President, I desire to make an inquiry of the majority leader, the Senator from Kentucky [Mr. BARKLEY]. I have no great interest in this matter, but I wonder what the occasion is which makes him so insistent on having a very narrow time for debate. Are we under pressure of other legislative matters that are crowding us?

Mr. BARKLEY. No; we are not.

Mr. ADAMS. It seems to me that the pending matter is one of considerable

importance. While those who have spoken on it seem quite willing to have the debate restricted—and I have not any expectation of speaking—it is a matter of importance; and I know from past experience that if we place a narrow limit upon debate we shall shut out discussion by some Members of the Senate who are interested. If there is pressure of other legislative matters, of course, we can shorten the debate; but in the absence of such pressure it seems to me the Senator's request is a little restricted.

Mr. BARKLEY. There is no pressure of other legislation. In fact, so far as I know, no other legislation will come before the Senate tomorrow after the pending bill is disposed of. We have been in the habit recently, during the lull in legislative matters, of trying to accommodate the program of the Senate to the convenience of Senators. One or two or three Senators had planned to leave the city tomorrow about 2 o'clock, and I thought that if we could dispose of the pending matter before that time, having hoped that we might do so today, it would not be a great hardship on anyone.

Mr. ADAMS. I thought the important matter was concluded on Saturday. I did not know that we had any other matters to consider.

Mr. TYDINGS. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. TYDINGS. Of course I cannot speak for all other Senators; but those who are members of the Appropriations Committee have expressed to me a desire to be heard. I believe if they had an hour which could be divided up between the two or three who yet desire to speak—not having asked precisely how much time they desire—that would be sufficient time to take care of those I know of who desire to speak in opposition to the amendment. There are two who I am sure desire to speak, and perhaps another Senator who is not here. So if the unanimous-consent agreement should be made, and if we should meet at 11 o'clock and vote at 1 o'clock, so far as I know, those who desire to speak say that would provide all the time they require.

Mr. BARKLEY. I appreciate that the Senator from Maryland has been very cooperative in trying to work out this agreement.

Mr. GLASS. Mr. President, God knows that nobody has been suppressed. There has been speech after speech. There was in the committee. We held the committee in session; and if anybody has said anything new since the first two or three speeches in the committee, I have failed to hear it. It has been the same thing over and over again.

I hope the request of the majority leader will be granted that we fix some hour for voting tomorrow.

Mr. BARKLEY. With that contingency with reference to the Senator from North Dakota.

Mr. AUSTIN. Mr. President, let me suggest an amendment. I ask the leader of the majority to amend his request so that it will in substance provide that the Senate recess until 11 o'clock tomorrow morning, and that not later than 1 o'clock in the afternoon a vote be taken

on this amendment; provided, however, that if the Senator from North Dakota [Mr. NYE] shall be absent, the vote shall not then occur until after he has been here 10 minutes.

Mr. BARKLEY. How long would we have to wait for him to return after 1 o'clock?

Mr. AUSTIN. I cannot make the amendment more definite. I realize that that is an open-end transaction.

Mr. BARKLEY. Mr. President, that is an unusual request. Ordinarily, I do not think the Senate ought to set a precedent by fixing a time for anything contingent upon the indefinite return of some Senator who absents himself from the Chamber or from the city; but in view of the practical certainty, as I have been assured by the Senator's office, that he will be here early in the morning, I am willing to accept the suggestion of the Senator from Vermont.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky, as modified?

Mr. McCARRAN. What is the request?

Mr. BARKLEY. The request is that when the Senate recesses today it be until 11 o'clock tomorrow morning, and that not later than 1 o'clock tomorrow we proceed to vote, provided the Senator from North Dakota [Mr. NYE] is present, and that we do not vote until he has been in the Chamber at least 10 minutes. It may be a hardship on the Senator to require that, but still I think it is a reasonable request.

Mr. O'MAHONEY. Mr. President, I am impressed by what the Senator from Kentucky had to say about the indefinite character of the proposed agreement. Why should it not be understood that it is contingent upon the return to the city of the Senator from North Dakota, and that if he does not return by the time stated, the Senate will not wait for his return? Otherwise, if he should not return to the city, it would postpone the vote to some indefinite period in the future.

Mr. BARKLEY. I will say to the Senator from Wyoming that, before leaving, the Senator from North Dakota consulted me about the probability of a vote this afternoon, and if there had been a prospect of a vote, he would not have left the city; but, upon being practically assured that there would not be a vote this afternoon, he left. It is my understanding that he will return early tomorrow morning, because I am told by his secretary that he has appointments in his office from 9 o'clock on.

Mr. O'MAHONEY. But if, for any reason, he should not return, under the agreement as the Senator has stated it, the Senate would be unable to vote.

Mr. BARKLEY. We should have to make a new agreement. That would be the substance of it.

Mr. O'MAHONEY. Now, may I ask whether, in the agreement as stated, there has been any effort to divide the time pro and con? I understand not.

Mr. BARKLEY. I had made that suggestion before; but, if it is necessary to incorporate it in the amended request, I ask as a part of the agreement that the

time shall be equally divided between the two sides, to be controlled by the Senator from Maryland [Mr. TYDINGS] in opposition to the amendment, and by the Senator from Arizona [Mr. HAYDEN] in favor of the amendment.

Mr. O'MAHONEY. It occurred to me, from what the Senator from Maryland said and from what the Senator from Nevada said, that probably in less than an hour all the speeches against the amendment would have been completed; and I am sure it will take less than an hour for those who intend to support the amendment to complete their remarks.

Mr. McCARRAN. I do not know that that order has anything to do with it. We are not bound by the order represented by the expression of the Senator from Wyoming, I take it.

Mr. O'MAHONEY. I am merely discussing the agreement, not attempting to make any order.

Mr. McCARRAN. I did not know. The Senator is very apt at that.

Mr. CLARK of Missouri. Mr. President, reserving the right to object, it seems to me there has been some disposition here on both sides of the Chamber more or less to give a pushing around to the Senator from North Dakota [Mr. NYE]. I hold no brief for the Senator from North Dakota. So far as I am concerned, I am perfectly willing to vote right now on this amendment. I have already given notice that I do not intend to speak on it; but I more or less resent the pushing around of the Senator from North Dakota, apparently by cooperation on both sides of the Chamber, on the matter of postponing this vote until tomorrow. One Senator rises and asks unanimous consent that the vote be postponed until 10 minutes after the Senator from North Dakota [Mr. NYE] gets back tomorrow. Another Senator says one thing, and another says another thing, apparently rather trying to leave the matter in the lap of the distinguished Senator from North Dakota. My dear friend the Senator from Virginia [Mr. GLASS], who on occasion has been absent from the Senate for 3 or 4 months at a time—

Mr. GLASS. I deny that. I never was, in all the born days of my life, absent from the Senate for 3 or 4 months.

Mr. CLARK of Missouri. Mr. President, I have not yielded to the Senator from Virginia. He was absent for causes not under his control, for which I do not criticize him; but the Senator from Virginia is very free, whenever he does appear in the Senate, to criticize any other Senator who desires to debate any bill of which the Senator from Virginia has charge.

Mr. President, if the Senator from Kentucky wants to present a request for any reasonable limitation on this debate—and I have already said that I myself do not wish to speak on the amendment—I shall be very glad to have that question stated so that we can understand it, without any reference to the Senator from North Dakota.

Mr. BARKLEY. Mr. President, it is impossible to state the agreement without referring to the Senator from North Dakota, because the Senator from Ver-

mont [Mr. AUSTIN] suggested that the Senator from North Dakota be made a part of the agreement, or, at least, that it be made contingent upon his return. The only reason why the Senator from North Dakota is injected into this discussion is because his absence makes it impossible to get an agreement to vote at 1 o'clock without the amendment suggested by the Senator from Vermont; and the Senator from Vermont is under a very natural obligation to carry out a promise he made to the Senator from North Dakota before he left that he would not agree to any limitation of debate or time to vote unless it gave the Senator from North Dakota a chance to speak for at least 10 minutes. I am trying to accommodate myself to the Senator from North Dakota. I do not know upon what mission he has departed from the city, or anything about it, but I am trying to accommodate the Senate to his situation.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. Yes; I shall be glad to yield.

Mr. CLARK of Missouri. I resent the implications of this discussion about the Senator from North Dakota just as much as I resented what was said when the former Senator from West Virginia [Mr. Neely] accused the Senator from Kentucky of delaying the business of the Senate by going off on trips to see the Kentucky Derby.

Mr. BARKLEY. I do not see what that has to do with the request I have made.

Mr. CLARK of Missouri. Mr. President, it seems to me we ought to fix a reasonable time to vote without reference to any particular Senator, even though in doing so we give consideration to the convenience of some Senator.

Mr. BARKLEY. Does the Senator from Missouri object to having the agreement entered into in a form that will guarantee that the Senator from North Dakota [Mr. NYE] shall be permitted to speak for 10 minutes on the pending amendment?

Mr. CLARK of Missouri. I object to that, because I think it is very bad parliamentary practice. I agree with my friend the Senator from Wyoming [Mr. O'MAHONEY] that to try to fix a limitation on debate and say that a vote shall not be taken until 10 minutes after some Senator returns is very bad parliamentary practice. He may never return. [Laughter.] I do not know where he has gone.

Mr. BARKLEY. Is it a prophecy or a wish that the Senator is expressing? [Laughter.]

Mr. CLARK of Missouri. It is neither; but I say it is very bad parliamentary practice to agree that the Senate of the United States shall not vote on an important question presented to it until 10 minutes after some particular Senator returns.

Mr. BARKLEY. Mr. President, I submit the request. If any Senator desires to object, he is privileged to do so.

Mr. GLASS. Mr. President, with reference to the statement of the Senator from Missouri that the senior Senator from Virginia has been absent from the

Senate 3 or 4 months, I have been a Member of the Senate for 20 years and I have not been absent that length of time in the whole 20 years. I was absent for a time because I was desperately ill, and I have not yet recovered from that illness. I have sat here today for 5 hours waiting to vote on the proposal before us, when I should have been in bed, and I have not uttered a word of objection to any Senator speaking as long as he desired, either in committee or on the floor, as the record will show.

Mr. CLARK of Missouri. Mr. President, if the Senator from Kentucky will yield—

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. Let me say to the Senator from Virginia that I had no idea whatever of reflecting on him. I do know it to be a fact that he has been absent many days because of the state of his health, not at this session but at the last session, and I certainly was very happy that the Senator from Virginia came back at this session so well refreshed in his health. I do say, however, that I do not think the Senator from Virginia should return after an illness and criticize Senators who desire to discuss a bill before us, which is what I understood him to do in his last remarks. So far as any charge of dereliction of duty on the part of the Senator from Virginia is concerned, of course, I repudiate any such thought, because everyone in the Senate knows that the Senator from Virginia has been one of the most devoted of all the public servants of our country over a great many years.

The PRESIDING OFFICER. Is there objection to the request as modified?

Mr. CLARK of Missouri. What is the request? Let us find out what the request is on which we are to pass.

Mr. BARKLEY. I wonder if the clerk could repeat the request in intelligible terms so that the Senator from Missouri could understand it. It seems I cannot.

The PRESIDING OFFICER. The clerk will read the request.

The legislative clerk read as follows:

That when the Senate concludes its business today it take a recess until 11 o'clock a. m. tomorrow; that at not later than 1 o'clock p. m. the Senate, without further debate, proceed to vote upon the pending amendment, and that the time for debate be equally divided between the opponents and the proponents, to be controlled, respectively, by the Senator from Maryland [Mr. TYDINGS] and the Senator from Arizona [Mr. HAYDEN]: *Provided, however, that in the event the Senator from North Dakota [Mr. NYE] has not returned by 1 o'clock, the vote be temporarily postponed until his return and he has had at least an opportunity to speak 10 minutes.*

The PRESIDING OFFICER. Is there objection to the request?

Mr. CLARK of Missouri. Mr. President, as fond as I am of the Senator from North Dakota, as closely as we have been associated on many public issues, I am not willing to allow the Senate of the United States to agree to any such limitation. I think it is very bad practice. I think it is one under which any Senator of the United States might indefinitely hold up consideration of any measure, and therefore I feel constrained to object.

Mr. BARKLEY. Mr. President, I will state the request again, without the Nye

proviso. I ask unanimous consent that when the Senate concludes its business today it recess until 11 o'clock tomorrow; that at not later than 1 o'clock p. m. the Senate shall proceed to vote without further debate on the amendment now pending; that the time for debate be equally divided between the opponents and proponents of the amendment, to be controlled respectively by the Senator from Maryland [Mr. TYDINGS] and the Senator from Arizona [Mr. HAYDEN].

Mr. AUSTIN. Mr. President, I have no feeling about this matter, of course, except a desire to expedite the vote. Insofar as that can be done consistently and accommodate the wishes of one who wants to leave the Senate early in the day, I want that done. But when I have given my word, I keep it, and on account of the undertaking I made with the Senator from North Dakota [Mr. NYE], I am obliged to object.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable committee reports of nominations were submitted:

By Mr. HAYDEN, from the Committee on Appropriations:

John C. Fitzgerald, of Maine, to be Work Projects Administrator for Maine.

By Mr. HAYDEN, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. ELLENDER, from the Committee on Naval Affairs:

Sundry officers for promotion in the Navy and in the Marine Corps.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Charles F. Uhl to be United States attorney for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Granville T. Norris to be United States marshal for the eastern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Joseph C. Reing to be United States marshal for the eastern district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William Holroyd McGinnis to be United States marshal for the southern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

The PRESIDING OFFICER. Without objection, the nominations in the diplomatic and foreign service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HAYDEN. Is ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the executive calendar.

JOHN M. MORIN

Mr. HILL. Mr. President, yesterday in executive session the Senate confirmed the nomination of Hon. John M. Morin to be a member of the United States Employees' Compensation Commission. I ask unanimous consent that the President be notified forthwith of the confirmation. Mr. Morin has been on the Commission for about 8 years, his term has expired, and he cannot serve until the President is notified of his confirmation and issues a new commission. It is very desirable that Mr. Morin continue with his duties on the Commission.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 17 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 7, 1941, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6 (legislative day of May 5), 1941:

UNITED STATES ATTORNEY

Charles F. Uhl to be United States attorney for the western district of Pennsylvania.

UNITED STATES MARSHALS

Granville T. Norris to be United States marshal for the eastern district of Oklahoma.

Joseph C. Reing to be United States marshal for the eastern district of Pennsylvania.

William Holroyd McGinnis to be United States marshal for the southern district of West Virginia.

DIPLOMATIC AND FOREIGN SERVICE

Robert H. McBride to be a Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service.

PROMOTIONS

To be Foreign Service officers of class 1:

Erle R. Dickover	Lowell C. Pinkerton
Paul Knabenshue	Walter Thurston
Kenneth S. Patton	

To be Foreign Service officers of class 2:

Raymond E. Cox	Robert F. Kelley
George K. Donald	H. Earle Russell
Frederick P. Hibbard	Clarence J. Spiker

To be Foreign Service officers of class 3:

Parker W. Buhrman	Jefferson Patterson
William E. DeCourcy	John Randolph
Edwin Carl Kemp	Christian T. Steger
Lucien Memminger	Harold L. Williamson

May 7

"Summarizing, we find and report:

"The proposed constitutional amendment does not reduce the power of Congress in respect to the Capital but adds a new power; it does not propose the admission of the District into the Union as a sovereign State; it does not propose the destruction of the '10 miles square' provision of the Constitution; it does not lessen in the smallest degree the control by the Nation through Congress of what remains of the '10 miles square'; it does not disturb in any way the financial relation of Nation and Capital; it is not based upon either the abolition or retention of the half-and-half law; it does not propose or involve changes in the municipal government of the District.

"It plans to bestow upon the 437,000 (census of 1920) Americans of the District a distinctive basic right of the American citizen—in a government of the people, by the people, for the people—in a government which roots its justice in consent of the governed—in a representative government which inseparably couples taxation and arms bearing as a soldier with representation.

"This distinctive American privilege decorates the American with a badge of honor and arms him with power. Its lack slurs the Washingtonian as unfit and defective and slurs the Nation as in this respect un-American and impotent.

"What the amendment proposes is equitable in itself and compulsory in accordance with American principles and traditions.

"It gives to residents of the District rights and privileges which, under our scheme of government, belong to all who pay national taxes and fight as national soldiers.

"It gives to residents of the District a self-protecting power in the national councils which is denied to the resident of no other community in all of the mainland and contiguous United States from Maine to Texas and from New York to California.

"In the matter of access to the Federal courts it raises District residents from a lower plane than that of aliens to the status of citizens of a State.

"National representation of the District will remove from the Nation the shame of impotency.

"It will proclaim to the world that the great republic is as devoted to the principles of representative government and as capable of enforcing them as other republics with capitals in nation-controlled districts, like Mexico, Brazil, and Argentina. These nations have not found themselves impotent to give full national representation to the people of their capitals.

"It will proclaim to the world that the people of Washington are as fit to participate in national representative government as the people of Rio de Janeiro, Buenos Aires, and Mexico City. Washington will cease to be the only capital in all the world whose people, slurred as tainted or defective, are unworthy to enjoy the same national representation as that enjoyed by all other cities of the Nation.

"Washington will cease to be the only American community—numerous intelligent, prosperous, public-spirited, and patriotic—in all the expanse of continental and contiguous United States whose fitness to exercise national privileges as well as to bear national burdens is denied.

"National representation will clothe the Washingtonian with a vital American privilege to which he is undeniably in equity entitled; will cleanse him of the stigma and stain of un-Americanism, and curing his political impotency, will arm him with a certain power.

"It will relieve the Nation of the shame of un-Americanism at its heart and of impotency to cure this evil.

"It will inflict no injury or hardship upon either Nation or Capital to counteract these benefits."

This report applies with even greater force today in support of national representation for the District of Columbia as proposed in the Sumners-Capper amendment and is supported by the facts on which that report was based.

Encouraging progress has recently been made in the campaign to correct this unjust and injurious discrimination against District residents. The Democratic Presidential nominating convention of 1940 inserted as one plank in its platform: "We also favor the extension of the right of suffrage to the people of the District of Columbia."

Many leaders of both parties in both Houses of Congress have very recently verbally declared in favor of empowering Congress to grant national representation to the people of the District of Columbia.

The Judiciary Committee of the House of Representatives reported favorably August 5, 1940, the Sumners amendment with amendment. The Sumners amendment, in original form, was immediately introduced in the Senate by Senator KING. But the pressure upon Congress for action upon defense and appropriation legislation, in its closing days, prevented action upon this amendment by the Senate Judiciary Committee.

The fundamental principle upon which the Government in our Nation is based is consent of the governed. This principle has been declared in forms accepted, as self-evident truths, such as that governments derive "their just powers from the consent of the governed" and "taxation without representation is tyranny." Self-government is accomplished by the election by the people of those who make and administer laws.

The exception made with respect to the people at the seat of its Government was not because the principle is unsound or naturally admits of exceptions, but because the paramount interest of the National Government required that it be supreme at the seat of its Government, to the exclusion of any State or local sovereignty. Inasmuch as the national interest is the sole reason for excepting the District of Columbia from the otherwise universal rule of self-government, it follows that the people of the District should have such participation in their government as does not conflict with the national interest.

No impairment of national interest would result from participation by the people of the District in the National Government. None would result from participation in a local government provided the national Congress retains the power to revoke such control as may be delegated to a local government.

Constitutional amendment is necessary because there is now no power in Congress to provide for the people of the District representation in the National Legislature, Congress, or in the election of the Chief Executive. People of States have no greater participation in the National Government than this, and the proposed amendment therefore makes possible the grant to the people of the District participation in the National Government to the full extent of that now had by the people of the States.

The proposed amendment gives to citizens of the District the same access to Federal courts on the ground of diversity of citizenship now had by citizens of States.

For the people of the District to participate in national elections requires two steps: First, the adoption of an enabling amendment to the Constitution; and, second, the enactment of legislation granting national representation. For the adoption of the amendment the concurrence of two-thirds of each House of Congress and ratification by the legislatures of three-fourths of the States is

necessary, whereas for the enactment of legislation granting national representation, after an amendment shall have been ratified, no more than a majority of Congress need agree.

ST. LAWRENCE RIVER DEVELOPMENT

Mr. DAVIS. Mr. President, a petition or memorial has just come to me, signed by 500 of my constituents in the Pennsylvania anthracite coal regions, protesting against the passage of legislation to build the St. Lawrence waterway. If the waterway is built, thousands of anthracite and bituminous coal miners will be thrown out of work. I do not believe that such action on the part of our Government would be fair to its citizens.

I ask that the two letters which accompanied the petition or memorial be printed as a part of my remarks and referred to the Committee on Foreign Relations.

There being no objection, the letters were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

CARBONDALE, PA., May 5, 1941.

HON. JAMES J. DAVIS.

HON. JOSEPH F. GUFFEY.

HON. P. J. BOLAND.

DEAR SIRS: As a forerunner of coming events, I attach several petitions opposing the St. Lawrence seaway project. It is our belief that great harm will be done by such a project, and we are taking this means to endeavor to show you that the people of northeastern Pennsylvania are registering personal disapproval. There are approximately 500 names on these petitions, and you will receive many more protests in the near future. The peoples of this vicinity are keenly interested to know their Representatives' attitude, both in the House and Senate, and it was a pleasure recently to inform interested persons that Senator DAVIS was and has been bitterly against such a project.

Respectfully,

N. J. KIEFER,

Chairman of a Committee to Oppose
the St. Lawrence Seaway Project.

HON. JOSEPH F. GUFFEY,

Senate Office Building,

HON. JAMES J. DAVIS,

Senate Office Building,

HON. PATRICK J. BOLAND,

House Office Building,

Washington, D. C.

GENTLEMEN: Insofar as the navigation phase of the Great Lakes-St. Lawrence Basin project attains the aims of its sponsors, it would injure the commerce of Philadelphia and our other seaboard ports. Insofar as the hydroelectric phase of the project succeeds it will come in direct competition with our coal industry.

It would be idle for us to recite here all the reasons why we think it would be a mistake to ever build this seaway and why we think it would be treasonous for the Congress to authorize this worse than useless project at a time like this.

Suffice it to say that we oppose it for all the sound and patriotic reasons that animate the vast majority of the people of Pennsylvania, and in addition we, as railroad employees or other citizens whose interests are in some way related to theirs, fear this St. Lawrence project as a threat to railroad employment.

We have no doubt that, responsive to the overwhelming sentiment of your constituencies, and from your own common sense, you are as much opposed to this project as we are. Accordingly this memorial is submitted to place in your hands a sincere and concrete

expression of our sentiments. It may be useful in refuting the claims and resisting the blandishments of the small but powerful group that is promoting this project.

Respectfully submitted,

C. L. FALING,
Childs, Pa.
W. A. MONROE,
Childs, Pa.
N. J. KIEFER,
Carbondale, Pa.

ST. LAWRENCE RIVER DEVELOPMENT— EDITORIAL FROM THE NEW YORK SUN

Mr. DAVIS. Mr. President, an attempt is being made to justify the building of the St. Lawrence waterway on the basis that it is necessary at this time for our national-defense program. B. D. Tallamy, chief engineer of the Niagara Frontier Planning Board, refutes this argument. I ask unanimous consent to have printed as a part of my remarks, and referred to the Committee on Foreign Relations, an editorial entitled "Futile for Defense," from the New York Sun of May 2, 1941, which outlines Mr. Tallamy's refutation of the claim that the St. Lawrence waterway is needed in the interest of national defense.

There being no objection, the editorial was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

[From the New York Sun of May 2, 1941]

FUTILE FOR DEFENSE

Discussing the St. Lawrence seaway project, B. D. Tallamy, chief engineer of the Niagara Frontier Planning Board, did a thorough job of demolishing the pretense that this costly undertaking is needed in the interest of national defense. He showed that, on the contrary, it would actually hinder, instead of help rearmament in the United States. It would not only cost enormous sums of money and involve the labor of thousands of men, but would be, in the event of completion, particularly vulnerable to attack from the air. To say nothing of the proposed dam in the International Rapids section of the St. Lawrence River, it would include eight locks in the Welland Canal and nine in the St. Lawrence, the bombing of any one of which might close the waterway for an indefinite period of time.

In the international section alone, said Mr. Tallamy, some 92,000,000 tons of excavation would be required and more than 7,000,000 tons of cement would have to be used in addition to huge quantities of steel, earth for filling and the like. If this work were distributed over 7 years he figured that at least 43,000 men would be required daily at the site and behind the lines; at peak periods of construction 60,000 men would be required. This, however, would be only a beginning. A 27-foot waterway would be of no use without harbors in the Great Lakes of sufficient depth to accommodate vessels using it. Such deepening would have to be provided for as a necessary part of the scheme.

Attacking the Roosevelt administration's argument that the seaway is needed so that cruisers, other warships, and shipping in general may be constructed on the Great Lakes for national defense, Mr. Tallamy pointed to some facts which the administration ignores. So far as submarines, submarine chasers, mine sweepers, torpedo boats, and similar naval vessels are concerned, he said, these can be sent from the Great Lakes to sea through water routes already existing. Their construction in the interior of the country, he said, would leave yards on the coast open for construction of larger vessels. This, he argued, would eliminate the risk that larger

craft might become land-locked through the bombing of vulnerable locks and dams on the seaway. Much more will undoubtedly be said on this point whenever the administration's scheme comes up for an airing in Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ADAMS, from the Committee on Public Lands and Surveys:

S. 394. A bill to revise the boundaries of the Saguaro National Monument; without amendment (Rept. No. 263).

By Mr. HILL, from the Committee on Expenditures in the Executive Departments:

H. R. 3368. A bill authorizing expenditures for the Office of Government Reports in the Executive Office of the President; without amendment (Rept. No. 264).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

S. 1463. A bill providing for monthly payments to Stephen C. M. Appleby and his wife, or the survivor of them, in recognition of services rendered by him to the United States; to the Committee on Claims.

By Mr. GUFFEY:

S. 1464. A bill to provide that all candidates heretofore enlisted in the Reserve Officers' training camps under section 54 of the National Defense Act of June 3, 1916, shall be considered enlisted men and members of the military forces of the United States under certain conditions; to the Committee on Military Affairs.

By Mr. WALSH (for himself and Mr. LODGE):

S. 1465. A bill relating to the legality of the entry into the United States of certain persons born in a country contiguous to the United States; to the Committee on Immigration.

By Mr. WALSH:

S. 1466. A bill to further amend the act entitled "An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes," approved August 29, 1935, as amended; to the Committee on Interstate Commerce.

S. 1467. A bill to amend section 12 (a) of the Selective Training and Service Act of 1940;

S. 1468. A bill to authorize the Secretary of the Navy to establish a fuel depot at Middle and Orchard Points, Wash.;

S. 1469. A bill to amend the act of April 15, 1935, as amended (49 Stat. 156; U. S. C., Supp. V, title 34, sec. 842), and for other purposes; and

S. 1470. A bill providing for the rank of officers ordered to perform special or unusual duty, and of commanders of special naval units afloat; to the Committee on Naval Affairs.

By Mr. GLASS:

S. 1471. A bill to extend the period during which direct obligations of the United States may be used as collateral security for Federal Reserve notes; to the Committee on Banking and Currency.

By Mr. MURRAY:

S. 1472. A bill to amend an act entitled "An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children"; to the Committee on Indian Affairs.

By Mr. BILBO:

S. 1473. A bill for the relief of the town of Coldwater, Miss.; to the Committee on Claims.

S. 1474. A bill to benefit farmers whose lands are within certain agricultural im-

provement districts by enabling such districts to make a reduction in the annual taxes, assessments, and other charges imposed upon such farmers by such districts; to the Committee on Agriculture and Forestry.

By Mr. NORRIS:

S. 1475. A bill granting an increase of pension to Allie Doll; to the Committee on Pensions.

By Mr. PEPPER:

S. 1476. A bill providing for Federal assistance in eradicating the cattle tick in the Seminole Indian Reservation in Florida; to the Committee on Indian Affairs.

ADDRESS BY SENATOR REYNOLDS ON THE PAN AMERICAN HIGHWAY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by him in Cincinnati on Thursday, April 3, 1941, entitled "The Pan American Highway in Relation to Hemispheric Defense," which appears in the Appendix.]

ADDRESS BY SENATOR MEAD ON LONGEVITY BILL

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address on the so-called longevity bill, delivered by him on May 2, 1941, which appears in the Appendix.]

ADDRESS BY DR. JOHN R. STEELMAN ON THE PLACE OF MEDIATION

[Mr. MEAD asked and obtained leave to have printed in the RECORD the address entitled "The Place of Mediation," delivered by Dr. John R. Steelman, Director of Conciliation, United States Conciliation Service, before the conference meeting on labor relations of the Chamber of Commerce of the United States, on April 30, 1941, which appears in the Appendix.]

ARTICLE BY FRANK R. KENT ON FISCAL POLICY

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article by Frank R. Kent on the subject of reducing nondefense spending and establishing a sound fiscal policy, published in the Baltimore Sun, which appears in the Appendix.]

RESOLUTIONS OF EXECUTIVE COMMITTEE OF AMERICAN LEGION

[Mr. HILL asked and obtained leave to have printed in the RECORD resolutions adopted by the National Executive Committee of the American Legion with reference to the shipment of raw material to aggressor nations and with reference to national defense, which appear in the Appendix.]

ARTICLE BY C. G. FERRIS ON ST. LAWRENCE RIVER DEVELOPMENT

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an article by C. G. Ferris, entitled "The Seaway Proposal and the Public Interest," published in the Illinois Journal of Commerce for May 1941, which appears in the Appendix.]

ADDRESS BY CHARLES A. LINDBERGH ON INVOLVEMENT IN WAR

[Mr. NYE asked and obtained leave to have printed in the RECORD an address by Charles A. Lindbergh in New York, on April 24, 1941, which appears in the Appendix.]

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

The VICE PRESIDENT. The pending question is the amendment reported by

the committee at the beginning of line 7, page 51.

Mr. O'MAHONEY obtained the floor.

Mr. BARKLEY. Mr. President, I think we should have a quorum, and I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Norris
Aiken	George	Nye
Andrews	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Glass	Pepper
Ball	Green	Radcliffe
Bankhead	Guffey	Reynolds
Barkley	Gurney	Russell
Bilbo	Hatch	Schwartz
Bone	Hayden	Shipstead
Brooks	Herring	Smathers
Brown	Hill	Smith
Bulow	Holman	Spencer
Bunker	Hughes	Stewart
Burton	Johnson, Calif.	Taft
Butler	Kilgore	Thomas, Idaho
Byrd	La Follette	Thomas, Okla.
Byrnes	Langer	Tobey
Capper	Lee	Truman
Caraway	Lodge	Tunnell
Chandler	Lucas	Tydings
Chavez	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wallgren
Connally	Maloney	Walsh
Danaher	Mead	White
Davis	Murdoch	Wiley
Downey	Murray	Willis

Mr. HILL. I announce that the Senator from Mississippi [Mr. HARRISON], the Senator from Tennessee [Mr. McKELAR], and the Senator from New York [Mr. WAGNER] are absent from the Senate because of illness.

The Senator from Colorado [Mr. JOHNSON] and the Senator from Montana [Mr. WHEELER] are unavoidably detained.

The Senator from Utah [Mr. THOMAS] is addressing the National Association of University Extension Directors in Oklahoma City, and is, therefore, necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] is unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

SINKINGS OF CARGO VESSELS

Mr. VANDENBERG. Mr. President, will the Senator from Wyoming yield to me in order that I may present for the RECORD some rather important figures, with a very brief comment? I shall take only 2 or 3 minutes.

Mr. O'MAHONEY. I yield for that purpose.

Mr. VANDENBERG. Mr. President, the important, cardinal, crucial fact of accurate information which is necessary at the moment for the American people or the Congress adequately to assess the Atlantic hazard and the necessity for American convoys is the question of precisely how much of our aid to England is going to the bottom of the sea. The argument for urgent convoys and for more general and precipitate American participation in this effort is based upon the constant assertion that a large proportion of our material aid to England is going to the bottom of the sea.

I have only to refer to two or three sentences from an editorial on the subject

this morning in the Washington Post, which I read:

But what kind of a policy is aid to Britain when we see the fruits of our labor sent to the bottom of the sea? It is said that the sinkings amount to 40 percent of our exports.

Mr. President, for 3 weeks I have tried to obtain accurate information upon this very critical and significant and important phase of this problem, so that both Congress and the country might be accurately informed as a basis for their opinions and attitudes. I finally have this morning a letter from Emory S. Land, the Chairman of the United States Maritime Commission, in response to the question which I submitted to him when he was appearing before the Commerce Committee in connection with the pending ship bill. I wish to present this letter for the RECORD, and I wish to call attention to its contents.

I emphasize the fact on the authority of Admiral Land, the Chairman of the United States Maritime Commission, that between January 1 and April 30, 1941, 158 vessels of 781,914 gross tons were reported sunk in all parts of the world. That is the figure we are constantly given and which is constantly emphasized to measure the extent and the importance of our own obligation and emergency—158 vessels were sunk in 4 months. Mr. President, only 12 of these 158 vessels cleared from United States ports; so that the figures regarding the total sinking of 158 vessels, while very important in respect to the total British situation, pale into comparative insignificance compared to the other figure, which is that out of this total sinking only 12 vessels cleared from United States ports, only 8 of which were bound for Britain.

That is not all. Here is another figure bearing upon the same subject:

A total of 205 vessels cleared from United States ports for the United Kingdom between December 30, 1940, and March 31, 1941, carrying cargoes ranging all the way from canned soup and prunes to steel plate, rifles, airplane parts, gun barrels, and so forth. Out of these 205 vessels which cleared from the United States ports for the United Kingdom just 8 were sunk. We constantly hear about the figure of 205. I am calling attention to the fact that the significant figure, so far as the attitudes and opinions of the American people are concerned, is not 205 but 8, which is certainly a totally different picture and a totally different situation. The larger figure is definitely of vital importance to the general British situation and to the question of ultimate British victory. But the smaller figure is the only one which bears upon the question of what is happening to our own material aid to Britain. The larger figure bears on the ultimate availability of total ships to carry on the traffic. The smaller figure bears upon what is happening to our material on the British-American trade route where the necessity for convoys is being stressed.

Now, Mr. President, I am not disposed to minimize any hazard or any danger which exists, but I certainly am not disposed to maximize general over-all figures for the purpose of propagandizing

the American people into fear and hysteria, when a break-down of the figures indicates that the situation is far less challenging than we are constantly given reason to believe.

I ask that Admiral Land's letter be printed in full in the RECORD at this point, Mr. President.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

UNITED STATES MARITIME COMMISSION,
Washington, May 5, 1941.

HON. ARTHUR H. VANDENBERG,
United States Senate, Washington, D. C.

DEAR SENATOR VANDENBERG: Referring to our discussion in the Commerce Committee last week, the following is submitted:

1. Between January 1 and April 30, 1941, 158 vessels, of 781,914 gross tons, were reported sunk in all parts of the world (according to our composite records, which we believe to be complete). Of these 158 vessels, only 12, of 66,782 gross tons, cleared from United States ports. A list of these 12 vessels is attached.

2. Cargo reports are available for 10 of these 12 vessels. These reports show an assortment of cargoes, ranging from canned soup and prunes to steel plates, bars and billets, copper bars and wire, zinc, wood pulp, chemicals to ammunition, rifles, gun barrels, airplane engines, and airplane parts.

3. Eight of the 12 vessels listed are included in a list of some 205 vessels which cleared from United States ports for United Kingdom ports between December 30, 1940, and March 31, 1941, and carried in their cargoes products subject to United States export license. This indicates that only a very small proportion of these vessels failed to reach their destination.

4. Of the four others, one (*Benjamin Franklin*) was left out of the foregoing list; two were Greek vessels destined for Greek ports (both sunk April 21); the twelfth was the Swedish tanker *Gastor*, which cleared for Goteborg March 11.

Cordially yours,
E. S. LAND, Chairman.

[Enclosure.]

Vessels which have been sunk after clearing United States ports for United Kingdom and European ports during the period Jan. 1 to Apr. 30, 1941, inclusive

Month lost and name of vessel	Flag	Type
JANUARY		
<i>Bassano</i>	British.....	Cargo.
FEBRUARY		
<i>Calafatis</i>	Greek.....	Do.
<i>Maplecourt</i>	British.....	Do.
<i>Black Osprey</i>	do.....	Do.
<i>Siamese Prince</i>	do.....	Do.
<i>Silverfir</i>	do.....	Do.
<i>Benjamin Franklin</i>	Norwegian.....	Do.
<i>Empire Tiger</i>	British.....	Do.
Total 7 vessels.		
APRIL		
<i>Castor</i>	Swedish.....	Tanker.
<i>Ville de Liege</i>	Belgian.....	Combination.
<i>Grigorios C. II</i>	Greek.....	Cargo.
<i>Kassandra Leuloudis</i>	do.....	Do.
Total 4 vessels.		

Grand total, 12 vessels.

Mr. VANDENBERG. I make this further request in conclusion: I have no notion that this brief letter from Admiral Land is conclusive in its testimony and evidence upon this one critical question; namely, How much of our aid to England is going to the bottom of the

sea? Indeed, even these figures do not reflect the actual tonnage of material sunk. Of course, it is not conclusive, although it is highly significant, and far more authentic than all the loose language which is being poured out upon the country in connection with this problem. I am saying that even this is not conclusive, but I am saying also that in a question which so fundamentally affects the peace and security of the American people, a question which so fundamentally affects the lives of Americans in and out of the service, I respectfully suggest that we ought to have all the facts laid before Congress and the country accurately, authentically, and in substantiated detail, so that we may be informed and reach informed conclusions, and not propaganda conclusions, in this critical moment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

- S. 216. An act for the relief of A. B. Codrington;
- S. 248. An act for the relief of John G. Hunter;
- S. 309. An act for the relief of Dr. Morris B. Toubman;
- S. 436. An act for the relief of Maximo Abrego;
- S. 514. An act for the relief of R. Stern;
- S. 788. An act for the relief of Noland Blass;
- S. 897. An act for the relief of G. F. Allen, chief disbursing officer of the Treasury Department, and Bernard Paulson, special disbursing officer of the State Department; and
- S. 1104. An act for the relief of William A. Wheeler.

The message also announced that the House had passed the bill (S. 392) for the relief of Joseph Dolak and Anna Dolak, father and mother of Gene Dolak, deceased, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, each with an amendment, in which it requested the concurrence of the Senate:

- S. 941. An act for the relief of Ralph C. Hardy, William W. Addis, C. H. Seaman, J. T. Polk, and E. F. Goudelock; and
- S. 991. An act for the relief of the widow of the late Artis J. Chitty.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

- H. R. 179. An act for the relief of Frank E. Nichols;
- H. R. 188. An act for the relief of Maj. R. Lee;
- H. R. 250. An act for the relief of Otto Meyer and Leigh Kelly;
- H. R. 446. An act for the relief of the estate of Opal June Lindsay, Luck A. Lindsay, Thelma Louise Lindsay, and Laura Kathleen Lindsay;
- H. R. 684. An act for the relief of Harold Byrne;
- H. R. 713. An act for the relief of Elizabeth Hessman;
- H. R. 735. An act for the relief of Aloha Motors, Ltd.;
- H. R. 768. An act for the relief of William E. Thomas;

H. R. 816. An act to provide for the reimbursement of certain members or former members of the United States Coast Guard (formerly the Bureau of Lighthouses) for the value of personal effects lost in the hurricane of September 21, 1938, at several light stations on the coast of Massachusetts, Rhode Island, Connecticut, and New York;

H. R. 843. An act for the relief of J. H. Atkins;

H. R. 859. An act for the relief of Arthur Gose;

H. R. 1268. An act to repeal the provision of law granting a pension to Elizabeth Lively;

H. R. 1356. An act for the relief of John I. Twehues;

H. R. 1541. An act for the relief of Jacques Hailpern, Max Hailpern, and Sally Hailpern Zaharia;

H. R. 1542. An act for the relief of Adolf Leon and his wife, Felicia;

H. R. 1646. An act for the relief of George Geis and the administrator of the estate of Joseph Glaser, deceased;

H. R. 1684. An act for the relief of Charles E. Allison;

H. R. 1638. An act for the relief of Herman E. Schorr;

H. R. 1727. An act to authorize the Secretary of the Interior to lease for the exploitation of silica sand, magnesite, and manganese, lands withdrawn by Executive Order No. 5105, dated May 3, 1929;

H. R. 1732. An act for the relief of Floyd Wilday, Vera Wilday, and James M. Wells;

H. R. 1753. An act for the relief of Maggie Lou Morse, administratrix of the estate of Exie Morse;

H. R. 1933. An act for the relief of Bert and Marie Freeman;

H. R. 1976. An act for the relief of J. W. and Robert W. Gillespie;

H. R. 2426. An act for the relief of H. B. Wilson;

H. R. 2716. An act for the relief of Karl Eduard von Vietinghoff-Scheel;

H. R. 2739. An act for the relief of Jack Y. Upham;

H. R. 2891. An act for the relief of Roy Gard;

H. R. 2908. An act for the relief of William H. Evens;

H. R. 3084. An act for the relief of Hugh C. Russell;

H. R. 3200. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claims of W. M. Hurley and Joe Whitson;

H. R. 3243. An act for the relief of John Klasek;

H. R. 3316. An act authorizing the Secretary of War to grant a revokable license to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., and successors in interest, to maintain certain railroad trackage and station facilities on Jefferson Barracks Military Reservation;

H. R. 3629. An act for the relief of Irene Trauernicht;

H. R. 3810. An act for the relief of Nell Victoria Lea;

H. R. 4068. An act conferring jurisdiction upon the United States District Court for the Eastern District of Oklahoma to hear, determine, and render judgment upon the claim of D. X. Sanders;

H. R. 4073. An act for the relief of Marijo McMillan Williams;

H. R. 4144. An act for the relief of Capt. Walter L. Shearman;

H. R. 4181. An act for the relief of Marcel Stark;

H. R. 4250. An act to provide for the presentation of a medal to Roland Boucher in recognition of his bravery and heroism in rescuing five children from drowning in Lake Champlain;

H. R. 4254. An act for the relief of Mrs. A. O. Danneberger;

H. R. 4256. An act granting pensions and increase of pensions to certain dependents of veterans of the Civil War; and

H. R. 4270. An act for the relief of Margaret M. Cutts.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 164. An act to further amend the thirteenth paragraph of section 127a of the National Defense Act, as amended by the act of June 8, 1926, so as to decrease the restriction on the number of enlisted men of the Regular Army who may be detailed as students at educational institutions and other places;

S. 242. An act to repeal certain provisions of the act of February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes," and the act of July 3, 1930, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes";

S. 993. An act to authorize the Secretary of the Navy to transfer, without cost, to the estate of Rolland H. Denny a triangular parcel of land containing one-half acre situated at Seattle, Wash., and

S. 1123. An act to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931, as amended.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 179. An act for the relief of Frank E. Nichols;

H. R. 188. An act for the relief of Maj. R. Lee;

H. R. 250. An act for the relief of Otto Meyer and Leigh Kelly;

H. R. 446. An act for the relief of the estate of Opal June Lindsay, Luck A. Lindsay, Thelma Louise Lindsay, and Laura Kathleen Lindsay;

H. R. 684. An act for the relief of Harold Byrne;

H. R. 713. An act for the relief of Elizabeth Hessman;

H. R. 735. An act for the relief of Aloha Motors, Ltd.;

H. R. 768. An act for the relief of William E. Thomas;

H. R. 816. An act to provide for the reimbursement of certain members or former members of the United States Coast Guard (formerly the Bureau of Lighthouses) for the value of personal effects lost in the hurricane of September 21, 1938, at several light stations on the coast of Massachusetts, Rhode Island, Connecticut, and New York;

H. R. 843. An act for the relief of J. H. Atkins;

H. R. 859. An act for the relief of Arthur Gose;

H. R. 1356. An act for the relief of John I. Twehues;

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H. R. 1732. An act for the relief of Floyd Wilday, Vera Wilday, and James M. Wells;
H. R. 1753. An act for the relief of Maggie Lou Morse, administratrix of the estate of Exie Morse;

H. R. 1933. An act for the relief of Bert and Marie Freeman;

H. R. 1976. An act for the relief of J. W. and Robert W. Gillespie;

H. R. 2426. An act for the relief of H. B. Wilson;

H. R. 2739. An act for the relief of Jack Y. Upham;

H. R. 2891. An act for the relief of Roy Gard;

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H. R. 3243. An act for the relief of John Klasek;

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H. R. 4063. An act conferring jurisdiction upon the United States District Court for the Eastern District of Oklahoma to hear, determine, and render judgment upon the claim of D. X. Sanders;

H. R. 4073. An act for the relief of Marijo McMillan Williams;

H. R. 4144. An act for the relief of Capt. Walter L. Shearman; and

H. R. 4270. An act for the relief of Margaret M. Cutts; to the Committee on Claims.

H. R. 1268. An act to repeal the provision of law granting a pension to Elizabeth Lively; and

H. R. 4256. An act granting pensions and increase of pensions to certain dependents of veterans of the Civil War; to the Committee on Pensions.

H. R. 1541. An act for the relief of Jacques Hailpern, Max Hailpern, and Sally Hailpern Zaharia;

H. R. 1542. An act for the relief of Adolf Leon and his wife Felicia;

H. R. 2716. An act for the relief of Karl Eduard von Vietinghoff-Scheel;

H. R. 3810. An act for the relief of Nell Victoria Lea;

H. R. 4181. An act for the relief of Marcel Stark; and

H. R. 4254. An act for the relief of Mrs. A. O. Danneberger; to the Committee on Immigration.

H. R. 1727. An act to authorize the Secretary of the Interior to lease for the exploitation of silica sand, magnesite, and manganese, lands withdrawn by Executive Order No. 5105, dated May 3, 1929; to the Committee on Public Lands and Surveys.

H. R. 3316. An act authorizing the Secretary of War to grant a revocable license to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., and successors in interest, to maintain certain railroad trackage and station facilities on Jefferson Barracks Military Reservation; to the Committee on Military Affairs.

H. R. 4250. An act to provide for the presentation of a medal to Roland Boucher in recognition of his bravery and heroism in rescuing five children from drowning in Lake Champlain; to the Committee on the Library.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

SHALL WE REVERSE NATIONAL AIR-MAIL POLICY?

Mr. O'MAHONEY. Mr. President, the pending question this morning is the amendment reported by the Senate Committee on Appropriations to provide an increased sum for the trans-Atlantic air-mail service. I should not undertake to address myself to this subject were it not for the fact that I feel very deeply that the arguments which have been made to date against the committee amendment have seriously and persistently confused the issue. It is, for example, argued that the Appropriations Committee in bringing in this appropriation is undertaking to determine a national policy with respect to trans-Atlantic aviation by an amendment on an appropriation bill, and that the matter should be postponed until there can be some investigation and hearing, either by a committee of Congress or by the Civil Aeronautics Authority.

Mr. President, exactly the reverse is true. If the Senate and the House should now defeat the amendment offered by the Senate Appropriations Committee, then the Senate and the House will be reversing a policy which has been adopted by the official board appointed for that purpose under a law of Congress.

The argument has been made also that to grant this additional appropriation would mean to confer a monopoly upon a ship line which, as it happens, owns an air line, and the Senate is asked to believe that this would be against the public interest.

The truth of the matter is, as I see it, that those who are arguing for the defeat of the committee amendment are taking the direct route to create and confirm a monopoly in the trans-Atlantic air-mail service. I should like to devote my attention to these matters.

Perhaps before I take them up I should refer to some of the arguments which have been directed against the American Export Lines and its subsidiary, the American Export Air Lines. We have been given to understand that the American Export Lines, the steamship line, is a monopoly, and that it is operating in violation of good public policy. The fact of the matter is that the American Export Lines is operating in strict conformity with the principles laid down by the Maritime Commission. The law of Congress establishing the Maritime Commission conferred upon that body the power, the authority, and, indeed, the duty to establish ship routes across the Atlantic Ocean. One trade route was awarded to the American Export Lines, another trade route was awarded to the United States Lines. One steamship line is not supposed under the law and regulations to invade the territory granted by the Maritime Commission to another. The purpose of that provision, of course, was simple. Congress recognized that when the Government of the United States undertakes to subsidize ocean-going vessels, then it ought to protect the ocean-going lines so that their earnings may, if possible, to some degree repay the Government.

Some comment was made yesterday or the day before upon an alleged \$6,000,000 profit by the American Export Lines. The profit, under the law, until the subsidy is repaid to the Government, belongs 50 percent to the Government and 50 percent to the shipping line. The fact that a profit had been made is only proof that the policy adopted by Congress with respect to the establishment of these trans-Atlantic shipping lines was a wise policy, and that the payments made to support the ship lines are coming back into the Treasury of the United States.

It was pointed out that \$1,200,000 was taken out of these profits for the purpose of establishing the air line. That is true. But the \$1,200,000 represented the earnings of the company, and this fund was paid out of the company's 50 percent, and not out of the Federal Government's share.

The argument was also made, for example, that the American Export Lines, the steamship line, assessed some charge against the United States Lines when the United States Lines put a vessel upon the route to Lisbon. What are the facts about that? Let us bear in mind that the Maritime Commission set up several trade routes. To the United States Lines was granted one. The American Export Lines could not traverse that route. To the American Export Lines, the steamship line, was granted another route. The United States Lines, under the policy of Congress, could not travel that route. But the war came, the Neutrality Act became effective, the President's proclamation was issued, and the United States Lines was no longer able, under the law, to travel to the ports which had been awarded to it under the policy of Congress. Traffic naturally expanded on the other line to Lisbon. Did the American Export Lines resist the opening of that line to the United States Lines? Not at all. It welcomed it, and offered a contract under which not a single penny would be charged to the United States Lines on the business that it was doing, provided the United States Lines would agree that after the emergency had passed it would return to its own field of operations. The United States Lines declined to enter into that agreement, and a new agreement was made. This agreement was that the United States Lines should go upon the trade route awarded to the Export Steamship Lines, and then pay to the Export Lines, with the approval of the Maritime Commission—what? Its revenue? No. Fifty percent of the excess above \$10 per freight-ton, which was the regular charge of the United States Lines.

It was recognized that in the emergency, freight rates would go up. Freight rates have gone up all over the world. The Export Lines was under obligation to repay to the Government the loans which had been made by the Maritime Commission to build its ships, and so it was unwilling to give away all its traffic, but it said to the United States Lines, "Take the regular freight rate, \$10 per ton, on every dollar's worth of freight

that is carried, and above that we will share." What is wrong about that? Is that the action of a monopoly?

There is talk about passenger traffic. What about the passenger traffic? The Export Lines agreed with the United States Lines that the steamship *Washington*, one of the United States Lines steamers, should be permitted to operate upon the Export trade route, and that one of the Export Lines ships should operate in conjunction with it, and that the two lines should divide equally the passenger profit from both. What is wrong about that? What is unfair or monopolistic about that? The arrangement failed because the Maritime Commission refused to approve it. If there are any refugees in Lisbon who have been unable to obtain passage upon steamships, it is not because the Export Lines refused to carry them or refused to allow another line to come in and take part of the traffic, but simply because the Maritime Commission did not want the steamship *Washington* to traverse that route.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HAYDEN. My information is that the proposal not only included the *Washington*, but also the *Manhattan*; but that the Maritime Commission did not feel that it would be wise to allow the so-called luxury liners to run the risk of entering dangerous waters. In the meantime the *Washington* has been chartered by the United States Navy, and the *Manhattan* has been laid up for repairs.

Mr. O'MAHONEY. I thank the Senator for his contribution.

So much for the general type of attack which has been made upon the Export Lines. Let me add a few more words.

THE DECISION OF THE CIVIL AERONAUTICS BOARD

We are asked to believe that somehow or other this proposal is supposed to be a violation of the public policy laid down by the Civil Aeronautics Act itself. Mr. President, the facts scarcely seem to bear out that assertion. I have before me the opinion which was rendered by the Civil Aeronautics Board. We are told in the minority report that when the Civil Aeronautics Act was passed the Congress declared as a policy that a common carrier should not acquire and operate an air line, and that there was a divided opinion in the Civil Aeronautics Board as to whether or not the application of the Export Air Line was in violation of that law. The fact of the matter is that this argument is a mistake. Two questions were before the Board. The first was whether or not a certificate of convenience and necessity should issue. The second was whether or not it was necessary under the law for the Civil Aeronautics Board to give its consent in advance to the operation of an air-mail line by a steamship line, a common carrier.

It will be noticed that section 408 (a) of the Civil Aeronautics Act provided that it should be unlawful for a common carrier to acquire an air line unless approved by order of the Board—not that it was

unlawful per se, but that it would be unlawful to make such acquisition unless the Authority approved. Mr. Ryan, a member of the Board, was the author of the dissenting opinion. Was his dissent directed to the issuance of a certificate of convenience and necessity? Not at all. He opened his dissenting opinion with this sentence:

With the Board's disposition of the application for a certificate of convenience and necessity I am in agreement.

The only dispute before the Board was whether or not, under section 408, the shipping line should first seek the approval of the Board before acquiring the air line; and the majority of the Board—two members, it is true; there was a vacancy on the Board at the time—took the position that that was not necessary, because the shipping line had established the air corporation before the Civil Aeronautics Authority Act was passed.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AUSTIN. Let me ask the Senator to what part of the decision of the Board Mr. Ryan referred in the sentence which the Senator quoted?

Mr. O'MAHONEY. To the granting of the certificate of convenience and necessity.

Mr. AUSTIN. I notice that the Board made several different findings and refused several applications which were made by the same petitioner. My interpretation of Mr. Ryan's text is just the contrary of what the Senator now claims.

Mr. O'MAHONEY. Mr. President, I read the text very carefully. In order that there may be no question about it, I ask unanimous consent that the relevant portions of the two opinions be printed in the RECORD at this point.

I desire, however, to call particular attention to the following paragraph from the opinion with respect to the absence of any public regulation of passenger and express rates under the law:

We are unable to find that the continued maintenance of an exclusive monopoly of trans-Atlantic American flag air transportation is in the public interest, particularly since there is no such public control over the passenger or express rates to be charged or over the standards of service to be rendered as is customarily provided in the case of a publicly protected monopoly.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

EXTRACT FROM OPINION OF CIVIL AERONAUTICS BOARD IN AMERICAN EXPORT CASE

NEED FOR COMPETITION IN THE TRANS-ATLANTIC SERVICE

It is therefore apparent that the fundamental issue is whether a second United States air carrier should be authorized to provide additional air-transportation service over the North Atlantic trade route or whether the opportunity of furnishing all such additional United States air transportation service should be reserved exclusively to intervenor. The issue thus presented involves the entire underlying policy of the Civil Aeronautics Act of 1938.

The Civil Aeronautics Act of 1938 has for the first time established a comprehensive system of economic regulation of air transportation and has removed the threat of un-

economic and destructive competition in that field by providing that no air carrier may engage in air transportation without first receiving a certificate of public convenience and necessity. Intervenor has contended that, when Congress imposed this requirement in the field of air transportation, it naturally expected that the Civil Aeronautics Board would be guided by the principles which underlie similar requirements in other Federal statutes and by the decisions of Federal administrative bodies and the courts under such statutory provisions.

Particular reliance is placed by intervenor upon decisions under the Motor Carrier Act, 1935, by which Congress extended Federal regulation to highway transportation. In section 202 (a) of that statute its purpose is stated to be, among other things, to " * * * develop and preserve a highway transportation system properly adapted to the needs of the commerce of the United States and of the national defense; * * *." This language is somewhat similar to that found in section 2 (a) of the Civil Aeronautics Act of 1938.¹ Intervenor directs attention to the case of Pan-American Bus Lines Operation, 1 M. C. C. 190, 203 (1936), where the Interstate Commerce Commission defined public convenience and necessity in the following terms:

"The question, in substance, is whether the new operation or service will serve a useful public purpose, responsive to a public demand or need; whether this purpose can and will be served as well by existing lines or carriers; and whether it can be served by applicant with the new operation or service proposed without endangering or impairing the operation of existing carriers contrary to the public interest."

Intervenor also cites the case of Clark Common Carrier Application, 1 M. C. C. 445, 448 (1937), where the Interstate Commerce Commission said:

"It is likewise true, however, * * * that the maintenance of sound economic conditions in the motor-carrier industry would be jeopardized by allowing new operators to enter a field in competition with existing carriers who are furnishing adequate, efficient, and economical service. The record wholly fails to establish that the existing service is deficient in these respects."

¹ Section 2, entitled "Declaration of Policy", directs the board in the exercise and performance of its powers and duties to consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

"(a) The encouragement and development of an air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

"(b) The regulation of air transportation in such manner as to recognize and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between, and coordinate transportation by, air carriers;

"(c) The promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices;

"(d) Competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

"(e) The regulation of air commerce in such manner as to best promote its development and safety; and

"(f) The encouragement and development of civil aeronautics."

Thus, intervenor contends that the board may not, without violating established principles governing the regulation of transportation enterprises, authorize the service proposed by applicant, since such service would duplicate that of intervenor, which stands ready to furnish whatever service the public interest requires. Applicant contends that, because of the dissimilarity between tests and standards prescribed under other statutes relating to certificates of public convenience and necessity and the tests and standards prescribed by section 2 of the Civil Aeronautics Act of 1938, decisions under such other statutes do not furnish controlling precedents.

Certainly, the declaration of policy contained in section 2 differentiates the act in many important respects from the usual form of public utility regulatory statutes. Particularly is the act differentiated from the Motor Carrier Act, 1935, under which Pan American Bus Lines Operation and Clark Common Carrier Application, supra, were decided, by reason of the provision of section 2 that competition "to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense" is one of the factors which the Board must take into consideration as being in accordance with the public convenience and necessity.

This provision has no counterpart in the Motor Carrier Act, 1935. Applicant admits that the extent of competition requisite under this provision is within the discretion of the board, but insists that section 2 clearly requires that there be some competition in both foreign and domestic air transportation.

We conclude that competition in air transportation is not mandatory, especially when considered in relation to any particular route or service. Clearly, Congress has left to the discretion of the Board the determination of whether or not competition in a particular area is necessary to assure the sound development of an appropriate air-transportation system.

In a recent case we said, in denying an application by one of the three large transcontinental air carriers for approval of the acquisition of control of the only independent north-south air carrier in the territory west of the Rocky Mountains that

"Reference to both the legislative history and to the text of the act demonstrates the congressional intent to safeguard an industry of vital importance to the commercial and defense interests of the nation against the evils of unrestrained competition on the one hand, and the consequence of monopolistic control on the other."²

²United Airlines—Acquisition of Western Air Express, Docket No. 270, decided June 19, 1940.

This conclusion receives support in the following remarks of Senator McCARRAN made in the course of the debate on the floor of the Senate prior to the enactment of the Act, (Vol. 83 CONGRESSIONAL RECORD, 75th Congress, 3rd Session, p. 9029-30, May 13, 1938):

"If it could be established to the satisfaction of the Authority which is about to be set up that another line could well be operated from Chicago to Salt Lake City, although that same territory is now served by the United Air Lines, and the demand for service was so great as to support another line, then the authority could investigate, reach a determination, establish a rule, and could say, 'There is sufficient demand, there is sufficient patronage, and there is sufficient commercial life to sustain the other lines. Therefore we can grant a franchise to another line.' 'But before that could be done, full and complete hearings would have to be had. So we are trying to set up a non-

Thus, both the argument of intervenor that precedents under other statutes are controlling, and the argument of applicant that the problems raised by this application can be solved merely by an interpretation of the word "competition" as used in the statute, fail.

The disposition of this case must depend on the particular facts which justify or condemn competition under the circumstances which are peculiar to this case. Those circumstances, moreover, must be evaluated by the particular standards set forth in the Civil Aeronautics Act of 1938.

The Board's regulatory power over air transportation is divided into two main categories, civil aeronautics safety regulation, which is governed by title VI of the act, and air carrier economic regulation, which is governed by title IV of the act. Under title VI the Board is fully empowered to promote safety of flight in air commerce (which includes air transportation), both foreign and domestic, by prescribing standards, rules, and regulations in the interest of safety. The economic regulatory power conferred by title IV is less comprehensive, particularly with respect to air carriers engaged in foreign air transportation. Whereas the Board may enforce the duty imposed on air carriers by section 404 (a) to provide adequate service, equipment, and facilities in interstate or overseas air transportation, its power in this respect does not extend to air carriers engaged in foreign air transportation, upon whom the act imposes no similar duty. Moreover, the Board's power to regulate rates, fares, and charges of air carriers does not extend to operations in foreign air transportation. Thus, economic regulation alone may not be relied on to take the place of the stimulus which competition provides to the advancement of technique and service in air transportation. Competition invites comparisons as to equipment, costs, personnel, methods of operation, solicitation of traffic, and the like, all of which tend to assure the development of an air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense. Although it does not appear that the quality of service rendered by intervenor is at present inadequate in any respect, the record indicates that benefits to the public, in the shape of improved service resulting from advances in the industry, would be accelerated by competition between United States air carriers on the North Atlantic route.

It is the contention of intervenor that competition from foreign air carriers is a certainty, and that it will be necessary to provide the existing United States air carrier on the North Atlantic with all the help available, financial and otherwise, to meet such competition. It is intervenor's contention, moreover, that competition from foreign air carriers will satisfy the requirements of section 2 of the act, insofar as that section may require competition.

It is obvious, however, that competition by foreign air carriers will not have the same beneficial effect which competition by United States air carriers should have. The part which national loyalties may be expected to

political agency that will go into matters such as this one I have tried to illustrate, and if the circumstances do not justify another line, say 'No, you cannot go in; you cannot set up another line, because if you do both lines will fail; both lines will go out of business, and the public that we are looking to primarily will not be served.' That is the object and purpose of this entire bill. It is not to say that any line may be 'frozen' nor that any line may be perpetuated nor that any monopoly over any terrain may be established to the exclusion of the necessity which the public may present."

play in the routing of traffic must not be forgotten. Moreover, fundamental differences in background and technique between United States and foreign-flag air carriers may tend to distinguish their respective services by essentially noncompetitive basic characteristics, rather than by those differences of degree which stimulate progress through competition.

The addition of new and improved equipment by foreign air carriers will, to be sure, result in the necessity of United States air carriers equaling or bettering such equipment if they desire to maintain their competitive position. However, unless and until the United States air carrier can match a given improvement in the service rendered by a foreign air carrier, United States air transportation will not have been advanced. On the other hand, any addition to service or improvement of equipment by a competing United States air carrier will be an immediate and direct advantage to the air-transportation system of the United States.

Our national defense, in particular, can be benefited by competition between United States air carriers whose interests, patriotic and otherwise, are in the supremacy of this country's aviation. In Pan American Airways Co. (Delaware) New York-Marseilles-London Certificate, supra, we stated:

"From the evidence it appears that the experience and training to be derived by flight personnel from this long-distance operation over the North Atlantic, and the information relative to air operating conditions, aerological matters, methods, and necessary facilities in this area, are valuable to the national defense."

Upon the present record similar considerations are involved in the operation of the services proposed by applicant. Applicant contends, with merit, that no matter how many foreign competitors may be in the field, their research and development will not be available to the national defense of this country.

It appears that competition by applicant would induce the use of different types of equipment and make use of the facilities of a greater number of our manufacturers, thereby affording the War and Navy Departments valuable data concerning additional types of equipment. It would mean the training of additional American supervisory operations personnel and would provide an incentive to the development of new and different operating techniques.

At various times prior to the hearing, European air-transportation enterprises had operated experimental or seasonal services across the North Atlantic. With the outbreak of war in Europe, all such services were terminated, and the American carrier then operating has since rendered the only trans-Atlantic air-transportation service. Conditions in Europe have changed appreciably since the commencement of hostilities. These factors render it all the more desirable to take advantage of this opportunity to entrench American air transportation more firmly in the North Atlantic field by means of a second American air line.

It cannot be denied that, at the present time, the system comprising intervenor and its affiliated companies enjoys a practical monopoly over the transoceanic air transportation conducted by United States air carriers. Applicant submits that the failure of the board to grant its application would be tantamount to closing forever the door to competition by any American air carrier over the North Atlantic route. Applicant and its parent company, American Export Lines, Inc., have expended large sums of money in extensive plans and preparations for applicant's entry into trans-Atlantic air transportation. Applicant's plans for eventual entry into this field antedate the inauguration of intervenor's service by several years.

We are unable to find that the continued maintenance of an exclusive monopoly of trans-Atlantic American flag air transportation is in the public interest, particularly since there is no such public control over the passenger or express rates to be charged or over the standards of service to be rendered as is customarily provided in the case of a publicly protected monopoly.

We have reached our conclusion as to the need for competition on the North Atlantic trade route primarily on the basis of the declaration of policy contained in section 2 of the Civil Aeronautics Act of 1938 and on the particular set of facts before us. However, we believe that the result that we have reached is entirely consistent with general principles of public-utility regulation. Competition does not necessarily involve a useless duplication of service.

It is true that where a territory is served by a utility which (1) has pioneered in the field, (2) is rendering efficient service, (3) is fulfilling adequately the duty which, as a public utility, it owes to the public and (4) the territory is so generally served that it may be said to have reached the point of saturation as regards the particular service which the utility furnishes, the trend today is to protect the utility within such field; but when any one of these conditions is lacking, the public convenience may often be served by allowing competition to enter the field.

Intervener has pioneered the route here under consideration and is rendering efficient service within the limits of its facilities, but the saturation point of available air traffic on this route is not yet reached. The territory to be served through the termini of the trans-Atlantic route is almost unlimited. The Interstate Commerce Commission, in the case of Santa Fe Trail Stages, Inc., Common Carrier Application (No. MC-30607) decided February 15, 1940, stated that "Regulated monopoly is not a complete substitute for competition. The latter fosters research and experimentation and induces refinements in service which are not likely otherwise to be accomplished." The Commission further stated:

"It must be accepted that as an exception or qualification of the rule laid down in the cases above mentioned (decisions of the Interstate Commerce Commission and other regulatory bodies to the effect that duplication of adequate existing service is unwarranted) that an additional service may be required in the public interest even though an existing operator is supplying in quantum what appears to be a sufficient service, where there is lacking any worthy competitor of such operator in its own field and where the available business is ample to support another operation."

After carefully weighing the foregoing considerations and all of the arguments advanced by applicant and intervener, we are of the opinion that the inauguration of a second trans-Atlantic service by a properly qualified United States air carrier is in the public interest.

APPLICATION UNDER SECTION 408

As heretofore stated, applicant requests approval by the board of its control by American Export Lines, Inc. under section 408 of the act, "if such approval is deemed necessary."

Applicant contends that section 408 of the act is not applicable in this case, since the control of applicant was acquired prior to June 23, 1938, the effective date of section 408 of the act, and that to hold that this section of the act is applicable would give it a retroactive effect which was not intended. The pertinent provisions of section 408 of the act are as follows:

"Section 408 (a). It shall be unlawful, unless approved by order of the authority as provided in this section—

"(5) For any air carrier * * * any other common carrier * * * to acquire control of any air carrier in any manner whatsoever;

"(b) Any person seeking approval of * * * [an] acquisition of control, specified in subsection (a) of this section, shall present an application to the authority, and thereupon the authority shall notify the persons involved in the * * * acquisition of control, and other persons known to have a substantial interest in the proceeding, of the time and place of a public hearing. Unless, after such hearing, the authority finds that the * * * acquisition of control will not be consistent with the public interest or that the conditions of this section will not be fulfilled, it shall by order, approve such * * * acquisition of control, upon such terms and conditions as it shall find to be just and reasonable and with such modifications as it may prescribe: *Provided*, That the authority shall not approve any * * * acquisition of control which would result in creating a monopoly or monopolies and thereby restrain competition or jeopardize another air carrier not a party to the * * * acquisition of control: *Provided further*, That if the applicant is a carrier other than an air carrier, or a person controlled by a carrier other than an air carrier * * * such applicant shall for the purposes of this section be considered an air carrier and the authority shall not enter such an order of approval unless it finds that the transaction proposed will promote the public interest by enabling such carrier other than an air carrier to use aircraft to public advantage in its operation and will not restrain competition."

American Export Lines, Inc. (hereinafter called the Steamship Company) is a common carrier other than an air carrier.

The evidence shows that applicant was incorporated in April 1937, and that from that time until June 1939, its outstanding stock, which is all of one class and entitled to one vote per share, was owned entirely by the Steamship Company. In June 1939, the Steamship Company distributed to its stockholders, as a dividend, 30 percent of such stock and it still holds the remaining 70 percent thereof. Applicant asserts that, because of the fact that the acquisition of its stock by the Steamship Company antedated the Civil Aeronautics Act of 1938, there is no acquisition before the board for approval. When it was argued by counsel for intervener and counsel for the board that, although there had been the prior acquisition of applicant as a corporate entity before the passage of the act, the acquisition of an air carrier would not take place until the corporate entity became an air carrier, namely, upon receiving a certificate and actually undertaking to engage in air transportation, applicant took the position that, since no acquisition of applicant as a corporate entity is presently involved, it is not material as to when applicant becomes an air carrier.

An examination of the provisions of section 408 (a) (5) leads us to the conclusion that it applies to cases involving the control of air carriers only where the acquisition of control of a corporate entity occurs at a time when that entity is already an air carrier. The operative language of the act in this respect is "to acquire control of any air carrier in any manner whatsoever." The transaction made unlawful by the section is an act of acquisition of a particular type of entity. In its usual sense, a corporate acquisition means some transaction such as the purchase of stock. We can find no in-

dication in this section or in other parts of the act that the term is here used in any other than its usual sense, and, accordingly, we must attribute to it this meaning. A review of the evidence reveals that applicant was not an air carrier at the time control of applicant through stock ownership was acquired by the Steamship Company. It necessarily follows that since the acquired company was not an air carrier at the time such an acquisition of it took place the section does not apply and we so find. Accordingly, the application filed under section 408 will be dismissed.

We have carefully examined all of the particulars of the relationship between applicant and the Steamship Company as disclosed by the record in these proceedings. We do not find anything to indicate that such relationship will be in any way inconsistent with the public interest. We find that applicant will be fit, willing, and able properly to perform the air transportation for which certificates are to be issued herein, and to conform to the provisions of the act and to the rules, regulations, and requirements of the board thereunder, and that such air transportation is required by the public convenience and necessity, regardless of whether or not applicant continues in its present relationship to its parent company, American Export Lines, Inc., or becomes an independent company.

On the basis of the entire record and the findings hereinbefore made, we find that there should be issued to applicant

1. A certificate of public convenience and necessity authorizing it, subject to the provisions of said certificate, to engage in temporary air transportation with respect to persons, property, and mail between the terminal point New York, N. Y., and the terminal point Lisbon, Portugal: *Provided*, That either or both of the points Hamilton, Bermuda, and Horta, the Azores, may be included as intermediate points if and when required by weather conditions; and *Provided*, That during such times as New York, N. Y., is not usable as a terminal because of weather or climatic conditions, the holder shall use Baltimore, Md., as a terminal in lieu of New York, N. Y. Said certificate shall continue in effect for such time as the conduct of operations to France, England, Ireland, and Italy, or to any one or more of such states, shall be rendered unlawful by proclamation or proclamations issued pursuant to the provisions of the Neutrality Act of 1939, or any act amendatory thereto, and for 60 days after such proclamation or proclamations shall have ceased to render the conduct of such operations unlawful: *Provided*, That if at any time prior to the expiration of such 60 days the holder of said certificate shall make application for an alteration, amendment, or modification thereof and in said application shall request the removal of said limitation upon the duration of said certificate, said certificate shall continue in effect after the expiration of such 60 days and until the issues raised upon such application shall have been determined.

2. A certificate of public convenience and necessity authorizing it, subject to the provisions of said certificate, to engage in temporary air transportation with respect to property and mail between the terminal point New York, N. Y., the intermediate point Horta, the Azores, and the terminal point Lisbon, Portugal; *Provided*, That Hamilton, Bermuda, may be included as an intermediate point if and when required by weather conditions; and *Provided*, That during such times as New York, N. Y., is not usable as a terminal because of weather or climatic conditions, the holder shall use Baltimore, Md., as a terminal in lieu of New

York, N. Y. Said certificate shall continue in effect until September 1, 1941.

We further find that insofar as the application herein is not granted, it should be dismissed without prejudice to applicant's right to have the application reconsidered upon the present or a reopened record.

We further find that applicant's application for the approval under section 408 (b) of the act of its control by American Export Lines, Inc., should be dismissed because of the inapplicability of said section.

An appropriate order will be entered.

Branch, chairman, and Mason, member, concurred in the above opinion. Warner, member, did not participate.

Ryan, member, concurring and dissenting:

With the board's disposition of the application for a certificate of public convenience and necessity I am in agreement. I must dissent, however, from the conclusion of the majority that the board is without a duty or power under section 408 of the Civil Aeronautics Act to determine the effect upon the public interest of the interlocking relationship between the two companies. Such interpretation of section 408 in my opinion, is not sustained by an analysis of the statute, and in future cases would bind us to a limitation of jurisdiction over relationships of the type covered by section 408 which was not intended by the Congress.

It appears from the record that American Export Lines, Inc., is a steamship company and a common carrier by water. On April 7, 1937, it formed, under Delaware law, American Export Airlines, Inc., the present applicant, and took all of its capital stock. At present it owns 70% of such stock. One of the corporate purposes of the applicant was and is to carry on the business of air transportation. With the aid of advances from its parent, the steamship company, the applicant made preliminary surveys during and after the year 1937, signed on September 7, 1938, a contract for the purchase of an airplane, began survey flights in the summer of 1939, and on May 9, 1939, filed its present application for a certificate of public convenience and necessity—all preparatory to engaging in trans-Atlantic air transportation. The officers and directors of the applicant are, with two exceptions, the officers and directors of the steamship company, which has exercised control over the applicant's policies from the date of its incorporation. Upon our issuance of the certificate authorized in the present proceeding, the applicant "will undertake to engage in air transportation" and will certainly become an "air carrier."

The question is whether the applicant, before it enters upon the undertaking of an air carrier, must have our approval of the relationship of control which will then exist between a steamship company and an air carrier. I believe that approval is required.

Section 408 (a) (5) of the act provides that "it shall be unlawful, unless approved by order of the authority as provided in this section, * * * for any air carrier or person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to acquire control of any air carrier in any manner whatsoever." Section 408 (a) (6) imposes the same requirement upon an acquisition "in any manner whatsoever" of "any person engaged in any phase of aeronautics otherwise than as an air carrier." The majority holds that section 408 (a) (5) "applies to cases involving the control of air carriers only where the acquisition of control of a corporate entity occurs at a time when that entity is already an air carrier," and that since the acquired corporate entity in the present case, namely, the applicant, will become an air carrier subsequent to the date when its stock came into the possession of the steamship company, no

acquisition will have taken place within the meaning of section 408; and that the board, therefore, has no jurisdiction over the consummation of the relationship which will exist between the steamship company and the air carrier.

It will be noted that this interpretation makes the date of the enactment of the Civil Aeronautics Act of no significance in the present case. For the majority finds, in effect, that section 408 is not applicable to the present case, not because there was no acquisition of an air carrier prior to the passage of the Civil Aeronautics Act, but because there will have been consummated no acquisition of an air carrier by the steamship company, even after the applicant has actually undertaken and embarked upon the business of air transportation.

The basic difficulty I have in accepting this interpretation lies in the assumption that an acquisition within the meaning of section 403 "means some transaction such as the purchase of stock" and that since, in the present case, "the acquired company was not an air carrier at the time such an acquisition of it took place," the section does not apply. I find no language in the section to justify placing such a limitation upon the content of the word "acquire" which in its ordinary dictionary meaning means to "gain," to obtain possession of," "to receive in any way whatsoever,"³ "to receive or gain in whatever manner."⁴ On the contrary, the section specifically refers to an acquisition of control "in any manner whatsoever." In view of the express language thus used, it seems to me to be an unwarranted interpretation which asserts that if a common carrier steamship company obtains, by stock purchase, control of another company which, at the time of such stock purchase is an air carrier, there is consummated an acquisition within the meaning of section 408, but that if such steamship company obtains control of a company which is not at the time an air carrier and later causes such controlled company, by appropriate acts, to become an air carrier, no acquisition of an air carrier has taken place. Certainly the results so far as the public interest is concerned will be the same in both cases since, in both situations, the steamship carrier obtains control of an air carrier.

The latter of the two situations above outlined describes the instant case. The single act of stock purchase of the corporate entity of the applicant constituted but the initial step in a process by which the steamship company will "obtain possession of" an air carrier. That process will have been completed when the applicant undertakes to engage in air transportation.⁵ The direction of the act requiring us to pass upon acquisitions of air carriers "in any manner whatsoever," must mean that Congress intended that we should regard the series of events which will result in the control of an air carrier by the steamship company as constituting an acquisition.

It must be conceded that immediately after the steamship company obtained control of the applicant corporation, the steamship company did not at that time have possession or control of an air carrier. It is equally undeniable that after the applicant has actually begun to engage in the business of air transportation under its certificate, the steamship company will then have possession

and control of an air carrier. Between these two dates some event or series of events will have occurred to produce this result. To hold that that event or series of events which will vest in the steamship company control of an air carrier which it did not previously control does not constitute an acquisition is to ignore the commonly accepted definition of the word "acquire," which means "to receive or gain in whatever manner." The majority's view involves us in the inescapable and, to my mind, unsupportable conclusion that although the steamship company will at some time find itself in control of American Export Airlines, Inc., as an air carrier, it will never have "received in any way whatever" control of that air carrier.

The construction which I have urged would seem to be consonant with the policy of the Civil Aeronautics Act with respect to intercorporate relationships of the types covered by sections 408 and 409.⁶ It needs no resort to legislative history to reach the conclusion that it was the purpose of Congress in this Act to insure that air carriers should be kept separate from other enterprises such as aircraft manufacturing companies and common carriers engaged in surface transportation, except where an affiliated relationship shall have been found by the board to be not inconsistent with the public interest. The majority's construction of section 408 runs counter to such policy, since it permits interlocking relationships between steamship carriers and air carriers to be consummated without the board's approval except in those cases where the acquired company was an already existing air carrier. I find it impossible to reconcile the language and policy of the Act with the conclusion that the congressional purpose was limited to the maintenance of the identity of air carriers and aeronautical companies which had already acquired their business character at the time of the acquisition of their corporate entities.

One consequence of such restricted interpretation is that under it any existing air carrier will be able, without obtaining the board's approval, to acquire an aircraft manufacturing enterprise by the familiar method used by the steamship company in the instant case, namely, by organizing another corporation, taking over its controlling stock, and then causing such controlled corporation to engage in the manufacture of aircraft. For, under the doctrine of the majority opinion, the air carrier in such a case would not be acquiring control of a manufacturing company; it would be merely acquiring control of a corporate entity; and the subsequent embarking by that corporate entity upon the manufacturing business would not constitute an acquisition within the meaning of section 408.

For the reasons which I have set forth, I think the board should take jurisdiction of the application for approval of the proposed acquisition under section 408 of the act and should determine such application on the merits, applying the standards prescribed by section 408, which differ from those applicable to the determination of the application for a certificate of public convenience and necessity.

Mr. O'MAHONEY. Mr. President, it seems to me to be clear now, when we consider the matter of equity, that the

³ Winston Simplified Dictionary, College Edition, 1939.

⁴ Funk & Wagnalls New Standard Dictionary of the English Language, 1937.

⁵ Section 1 (2) of the act defines "air carrier" as "any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation."

⁶ Section 409 requires approval of interlocking officers and directors with respect to relationships of the kind covered by section 408. Thus, although the board in the instant case has ruled that it is without jurisdiction to pass upon the acquisition of the applicant as an air carrier by the steamship company, the board, under section 409 (a), will nevertheless have to approve the interlocking officers and directors of the steamship company and the applicant before they may lawfully continue to occupy their positions.

announced decision of the Civil Aeronautics Authority—the body which was set up by the Congress for the purpose of administering the technical, involved questions of operations like the one we are considering—cannot be overthrown in the Congress by action upon an appropriation bill without establishing a new policy. I shall advert to that a little later.

Great emphasis has been placed upon the fact that there is this great overlordship of the air line by the steamship line. Let us for a moment consider the facts with respect to that. It is true the steamship line created a subsidiary corporation to carry on this trans-Atlantic air service before the Civil Aeronautics Authority was created, before Congress had announced any policy at all with respect to the problem, and while there could have been no possible question of the right and authority of the line to do it.

QUESTION OF CONTROL OF AIR LINE

It is also true that before there was any action by the Civil Aeronautics Authority the Export Steamship Corporation had undertaken to pioneer this air route and had expended a large sum of money in the effort. The steamship line was the owner of all the stock of the air line before the Civil Aeronautics Act was passed. When the certificate of convenience and necessity was granted and it looked as though a new line was to be established, then the steamship line distributed 30 percent of the stock to the steamship stockholders, thereby starting up on that process of divestiture which seems to be the policy of the law as to the future.

But more important than that, Mr. President, is the fact that at that time the steamship line entered into an agreement with certain underwriters, A. G. Becker & Co., of Chicago and New York, for an issue of \$3,000,000 worth of stock for sale to the public, the issuance of which would finance the new line and would bring down the steamship ownership to less than 25 percent of the total—to 22 percent.

What prevented that from going on? The fact that the line which was already operating alone across the Atlantic undertook then to begin the fight which it has waged down to this very hour—to prevent the establishment of any competition in the air.

The failure of the appropriation at the last session of Congress to carry out the policy of Congress as enunciated by the Civil Aeronautics Authority, the appeal of the Pan American Co. from the decision of the Civil Aeronautics Board, and, finally, the fact that the State Department had not succeeded as yet in obtaining landing rights in Portugal for the new line, were three paramount reasons why the underwriters said, "We cannot go forward with the sale of this stock." And by the failure of Congress to make the appropriation the policy of the Civil Aeronautics Authority to establish a second line across the Atlantic Ocean was reversed.

REASON FOR NEW LINE

Is it to be said that there is no reason for establishing such a line? The Civil

Aeronautics Authority in its opinion has set out clearly that its decision to issue this additional certificate of convenience and necessity was moved by the fact that it believed that in the public interest all of the trans-Atlantic air traffic should not be concentrated in one company. And in the opinion will be found set forth figures and statistics, about which there can be no dispute, demonstrating clearly that the traffic across the Atlantic is so great, the business between the United States and Europe has always been so great a portion of all of the international business of the United States, that there is more than enough for all.

Mr. President, my interest in this case has been promoted chiefly by the fact that I find here illustrated what I verily believe to be at the very root of all the economic, and I will also add, the military disasters with which the world is now confronted. We have been operating upon the theory that there is not enough to go around, and each one has been seeking to grab what there is for himself and exclude all the others, whereas, in truth and in fact, there is enough for all, if we would just stop being greedy.

Trans-Atlantic air traffic is just in its infancy. It is foolish to contend that there is not enough business for two lines. There is business enough for more. All one has to do is to read the story of the expansion of air traffic in continental United States to know that it grows by leaps and bounds. I venture to say that, come peace, which we all pray may some day come, the traffic by air across the Atlantic Ocean will be sufficient to require daily trips.

A WORLD-WIDE MONOPOLY

Mr. President, we have here what I believe to be an artful attempt, not clearly understood by Members of Congress, on the part of one line to secure complete and permanent domination of the airways of the world. I have here upon the wall of the Senate Chamber a map from the Post Office Department showing the air lines which are now operated by the Pan American. I am sure Senators will find it interesting to examine that map, and to see that the Pan American spans both the Atlantic and the Pacific Oceans—to China, to Australia, to New Zealand, across to Ireland, the British Isles, and to southern Europe. What more does this line want? As I suggested the other day, why should this line, which has been the beneficiary of the largess of the people of the United States, undertake to oppose a policy of Congress and of the Civil Aeronautics Authority? Because it seeks, as I verily believe, to dominate the air traffic of the world.

Ninety million dollars have been paid in air-mail pay to the Pan American. What has that done for Pan American? What has that contribution from the Treasury of the United States and the people of the United States to the Pan American Co. accomplished for the benefit of that company? The answer is clear. The testimony was given by Mr. Trippe that this enterprise started with a capital of something like \$300,000, as I recall it. What is the situation today, according to the report of the Pan

American? The company has sold 1,887,355 shares of stock. The receipts from that stock amount to \$24,300,000, of which only \$18,167,815 were in cash, the balance, something over \$6,000,000, being in intangibles.

THE GROWTH OF PAN AMERICAN

The total investment in the shares of this corporation, according to its own balance sheet, is, therefore, \$24,300,000. The significant thing is that it has been emphasized here, for example, that dividends have been comparatively small—only 2¼ percent, it is said—but 2¼ percent on what? Two and one-fourth percent upon what? What is the basis of measuring these dividends? It is said that the earnings have been plowed back into the corporation. That is true; earnings have been largely plowed back into the operations. I have before me a table, taken from the reports of the company, showing that the net income of Pan American Airways for the period from 1929 to 1939 was \$6,893,438.03, of which \$4,294,000 has been distributed to the stockholders. But listen to the story of the assets: According to the balance sheet of Pan American filed with the stockholders on the 30th of April last, a report which was summarized in the New York Herald Tribune of May 1, a story from which I quoted yesterday, on page 24 of the thirteenth annual report, the total assets of Pan American were listed as \$56,081,638.63. Deduct from that the total amount received from the sale of stock, and there remains a balance of \$31,781,668.63 which has been added to the assets of this international giant because a generous people have supported it in its operation.

Mr. President, why should the Congress of the United States now, after the Civil Aeronautics Board has acted, undertake to prevent the establishment of a competitive line?

We are told that an extra trip by Pan American will cost \$9,000, and that the proposed trip by American Export Air Lines will cost some \$21,000. From that statement are we to assume that the Pan American does not receive \$21,000 for any trip? Not at all. The Pan American today receives \$21,000 for its first trip.

Are we to assume that there is no need for competition across the Atlantic, and that the Civil Aeronautics Board was wrong in stating that there should be competition, and that a certificate of convenience and necessity should issue?

THE NEED FOR COMPETITION

Mr. President, the first consideration was that unless there is competition there is no means of measuring what should be the proper charges for freight and passenger service. Unless there is competition, the proper charges cannot be determined. When competition appears, the charges tend to come down where they ought to be; but without competition the public has no protection whatsoever.

The Commission, pointing out that under the law there is no power to control the passenger and freight rates in international aviation, stated that it was desirable that there should be a competitive line.

Now, let us get some evidence from the other side.

In the record there appears a letter from Mr. Trippe, of the Pan American, to the Postmaster General, dated December 10, 1940. This letter appears on pages 631 and 632 of the House hearings. It was inserted in the record by Mr. Trippe, so there can be no question of the verity of the letter.

Under date of November 29, 1939—

Says Mr. Trippe in his letter to the Postmaster General—

I had the honor to advise your Department that our company expected to increase the frequency of our trans-Atlantic service to six trips per week during the early spring and summer of 1941, utilizing the additional equipment ordered some months previously and then under construction.

Skipping a paragraph which is of no particular relevance to the particular point I now discuss:

In accordance with this suggestion, our company, on or about December 28, 1939, filed with the Civil Aeronautics Authority an application for the fixing of fair and reasonable rates of compensation on additional trans-Atlantic trips to be operated by our company. A copy of this application was served upon your Department, as required by the regulations of the Civil Aeronautics Authority.

Then, skipping one more paragraph, which is irrelevant for my present purpose, although I shall ask that at the conclusion of my remarks the entire letter be inserted in the Record, we find this interesting paragraph:

Since the additional trips would not require substantial additions in ground or overhead expenses, the rate of compensation for such trips can, of course, be much lower than for the initial trips. This was recognized in the application filed by our company last December—

That was December a year before—

which stated as fair and reasonable rates \$14,100 per out-bound trip for the third and fourth weekly trips—

A fair and reasonable rate of \$14,100, not \$9,000—

and \$12,800 per out-bound trip for the fifth and sixth weekly trips as compared with the existing rate of \$21,600 * * *.

Now, listen:

However, as a result of the further increases in traffic resulting from the war, our company now believes that, as long as this condition continues—

Observe the little string upon the offer—

as long as this condition continues and all of such traffic remains available to us, rates for the additional trips considerably lower than those stated a year ago would be fair and reasonable.

In other words, "so long as you confirm us in the monopoly which the Civil Aeronautics Board seeks to offset we shall reduce the price." Is not that, Mr. President, always the way of monopoly, and is not that the very justification of the decision of the Civil Aeronautics Board? What was it that brought the Pan American to offer the lower rate? The appearance of competition upon the sea when the Civil Aeronautics Authority

granted the certificate of convenience and necessity.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. HAYDEN. As the Senator pointed out the other day, even though the rate was made lower, if at any time the company could make a showing that it was not making money on such rate, it could come back to the Civil Aeronautics Board and have the rate raised.

Mr. O'MAHONEY. Certainly.

Mr. HAYDEN. It could do exactly as was done by a large number of transcontinental air-mail lines. They made an exceedingly low bid in order to get the business; then came to the Board to have the rate increased; and, as a strange coincidence, this company did that very thing on the route to Bermuda. They bid a very low rate, and because the Treasury could not pay anyone less than a cent they operated for 3 months to earn 1 cent. Then, after they had put the line in operation, they appealed to the Civil Aeronautics Board and said that, of course, that rate was too low, and the Board authorized a rate of \$1,700 a trip and made it retroactive. Those are the facts, and that process can be duplicated again at any time when a proper showing can be made.

Mr. O'MAHONEY. The Senator is quite right.

I wish to make one more comment upon the matter of the rate. It has been argued and reargued here on the floor, in the effort to defeat the recommendation of the committee and the policy of the Civil Aeronautics Authority, that, upon this trans-Atlantic line, the Pan American, by reason of the revenue from the sale of air-mail stamps, is returning to the Government more than the Government is paying out; in other words, that the Government's receipts from the sale of air-mail stamps for the trans-Atlantic service have been more than sufficient to cover the mail pay to the Pan American line. That is true now, yes, and a great virtue is made of it; but in December 1939, when Mr. Trippe sent his proposal to the Civil Aeronautics Authority, and was asking that a new schedule be allowed, and was suggesting the rate that should be paid, it was then his statement that the rate should equal the receipts from the sale of air-mail stamps. Competition changes the picture, Mr. President. The appearance of competition means that the rates come down.

What is the answer? Look on the map and see. Pan American traverses the whole world, without competition, without regulation as to passenger rates and freight rates; it may operate according to its own sweet will unless competition appears. How easy it is to be misled by the argument that the first trip of a competitive line will cost more than a new and extra trip of the Pan American line, which would, if it were added now under the terms the Pan American asks, forever bar competition from the Atlantic airway. Mr. President, let us not deceive ourselves; if the Export Line, which has invested almost \$3,000,000 in preparing to carry out the certificate of convenience and necessity granted by the authority of

the Congress, is refused the opportunity by reason of the denial of an appropriation to make that expenditure good, then the Pan American need never again fear that any private enterprise will appear upon the ocean to challenge its right to levy passenger rates and freight rates upon those who seek the service.

PAN AMERICAN AND STEAMSHIP LINES

Mr. President, is this an idle statement? I call attention again to the map and to the countries in which the Pan American operates. The evidence before the committee showed that Pan American is a vast system, a system which, curiously enough, includes shipping lines as well as air lines, a vast system extending to all continents upon the globe. The Pan American Airways Corporation is a holding company. It holds the stock of about 18 or 20 subsidiary corporations, including Pan American Co., the present operator.

The Matson Navigation Co., which operates a Pacific steamship line, is the owner of 27,500 shares of Pan American stock. The Matson is also a holding company, operating an oceanic steamship company which receives a subsidy under the Maritime Commission Act.

The Interisland Steam Navigation Co., Ltd., another corporation which operates a competing type of travel, owns 27,500 shares of stock in Pan American, Inc., and, more than that, the International Mercantile Marine Co., which is likewise a holding company, owns the United States Lines, which cross the Atlantic, and is the owner of 27,500 shares in the Pan American Co. So here we have a vast international organization of air lines and steamship lines traversing both the Atlantic and the Pacific Oceans.

But that is not the whole story, Mr. President. There is another company which is engaged in the transportation of mail and passengers and freight by air—the Pan American-Grace Co. Fifty percent of the stock of this company is owned by W. R. Grace & Co., a shipping line, and another 50 percent by Pan American. Ah, Mr. President, I cannot help but feel that the arguments which have been made against the action of the committee have been made without a full knowledge of the facts.

We are dealing with a very complicated and technical matter, so complicated and so technical that the Congress of the United States by law conferred the duty and the responsibility of passing upon it to the Civil Aeronautics Board; the Civil Aeronautics Board has acted, and, because one of the petitioners before that Board is dissatisfied with the decision of the body set up by the Congress, the dissatisfied company appeals to the Members of Congress individually to overthrow it, and appeals are made to Members for this reason and for that reason to vote against the recommendation of the committee.

CONTRACTS TO BAR AMERICAN COMPETITION

Mr. President, I have pointed out that there are from 18 to 20 subsidiary corporations. On the floor the other day I declared that, according to my information, when Pan American negotiated for landing rights and privileges in other

countries in every instance it undertook to bar any other American corporation from entering the field, so that its position of single greatness could not be attacked. I call the attention of the Members of the Senate to the certified copy of the contract between Pan American and the Government of Portugal offered to the committee by Mr. Trippe and appearing in the record of the House hearings at page 634.

Mr. President, I regard this as one of the most significant and important public documents presented to this body in a long, long time, because it tells how industrial empires have grown so great that they are almost greater than the Government of the people of the United States itself. I say here, without any hesitation, that if the recommendation of this committee is defeated it will be a decision by the Members of this body that they want to raise Pan American—an industrial, exclusive, monopolistic empire—above the authority of the Civil Aeronautics Board.

On page 634 of the House hearings is found the contract entered into between the Portuguese Government and Pan American Airways Co., a corporation. I hope Senators will read this contract. I shall ask unanimous consent that it may be printed in the Record at the conclusion of my remarks. I shall not burden the Senate with reading it now, but I do want to read the third paragraph, or the relevant portions thereof:

Third. The Portuguese Government obligates itself, during a period of 15 years, counting from the time when this agreement becomes effective, not to grant to any person or group of persons of American nationality—

Observe that not merely "to any group of persons," but "to any group of persons of American nationality"—

or to any individual enterprise, company, or organization directly or indirectly subordinate to persons, companies, or organizations of American nationality—

Not content with barring citizens of the United States and organizations of the United States, Pan American negotiated an agreement with the Government of Portugal to close every door of opportunity to any free enterprise in America to engage in trans-Atlantic aviation, knowing well how the subsidiary company can operate when outside and beyond public regulation—

provided Pan American Airways Co. produces sufficient proof of such subordination.

Now, this is what is denied:

The right to operate regular airlines for the transportation of passengers, cargo, or mail between Portugal and North America.

Mr. President, it is inconceivable to me that the Congress of the United States, in this critical hour of economic trial, should undertake to deny the establishment of competition under a considered judgment by the Civil Aeronautics Authority.

Let me read the last sentence of this paragraph:

This obligation on the part of the Portuguese Government will lapse immediately and automatically if on any occasion, and

during the period for which it is undertaken, the Portuguese Government or the Government of the United States of North America should accept any international agreement relating to a combination (or union) of Governments, or if any agreement should be signed between Portugal and the United States of North America or between Portugal and England, which may be in opposition to the said obligation. Inversely, a treaty between Portugal and any other country other than the United States of North America or England will not, in itself, be the cause for the lapse of the concession granted in this clause.

And that concession was written into that contract, according to the testimony of Mr. Burke of the State Department, at the demand of the Government of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Maryland.

Mr. TYDINGS. Is it not a fact that in the contracts put out by the Post Office Department there is a clause which says that arrangements in foreign countries for termini, and so forth, must be made exclusively by the company concerned?

Mr. O'MAHONEY. I am not aware of that if the Senator is stating it correctly, that the arrangement should be made exclusively by the company concerned.

Mr. TYDINGS. That is true. That is in the postal contracts.

Mr. O'MAHONEY. I should interpret that to mean that the company should undertake it, and not the Post Office Department.

Mr. TYDINGS. That is correct—that the Government will not undertake it; that each company must undertake and arrange for its own terminal facilities in foreign countries.

Mr. O'MAHONEY. Certainly; but the Department does not ask the company to arrange for exclusive facilities and to bar other American lines, to bar groups of persons of American nationality and their subordinates from obtaining the privileges which Pan American enjoys.

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. I had not touched on this phase of the matter; but in the event that arrangements are made with the Portuguese Government for a so-called competitive line, the Portuguese Government would have in the future the right to require reciprocal arrangements in the United States of America. That is, if the arrangement is made through any governmental agency, we could not ask Portugal to give us something that we would not be willing to give Portugal on this end; and if Portugal should fall into the hands of powers that might not be friendly to the United States of America, it would simply mean that Axis Powers might operate planes to the United States through such an arrangement, which could not be the case under the existing contract.

Mr. O'MAHONEY. Evidently the Senator does not seriously make that argument.

Mr. TYDINGS. I make it most seriously.

Mr. O'MAHONEY. Has the Senator heard of any of the orders of this Government freezing assets? Does the Senator believe for 5 seconds that if a government hostile to the United States of America should take charge of Portugal and overrun Portugal, we would for a single minute be bound by a contract negotiated by a corporation which dominates the air traffic of the world?

Mr. TYDINGS. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. Of course the hostile government would not have actually to take Portugal. How do we know who would own the Portuguese company? It might be exclusively owned by German capital or Italian capital or Axis capital and still be a Portuguese company. That has all been brought out and debated in the hearings. The Senator from Wyoming was not present on the day the matter he has referred to was discussed.

Mr. O'MAHONEY. Mr. President, the Senator from Wyoming was present.

Mr. TYDINGS. Not on this day.

Mr. O'MAHONEY. When the discussion took place upon the question of what the report should be, the Senator from Wyoming was present. I will acknowledge that I was not present all the time when the distinguished Senator from Maryland was arguing with the witnesses.

Mr. TYDINGS. Mr. President, I do not want to interrupt the Senator. I prefer to wait and to take up in my own time the new phase he has brought out.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Just a moment, please. In order that the Senator from Maryland may have the full story before him when he undertakes to discuss the question of the contracts entered into by Pan American with the Government of Portugal to exclude corporations of American nationality, I ask him in addition to discussing paragraph third to discuss the tenth paragraph and then talk about subsidies.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. I shall be glad to discuss all the paragraphs when the Senator gets through.

Mr. O'MAHONEY. Mr. President, let me read the paragraph:

Tenth. Pan American Airways Co. will grant to the Portuguese Government a participation in the gross proceeds from traffic of Portuguese origin in the following form:
During the first 5 years, 1 percent;
During the next 10 years, 2 percent;
During the next 10 years, 3 percent.

So we have here upon the records of the committee an offer by Mr. Trippe of his contract, by which he has bound his company to let the Government of Portugal participate in the business of Portuguese origin. Out of the Treasury of the United States comes the \$90,000,000 of air mail pay which makes it possible for this company, which now desires to prevent competition in the air, to carry

out the certificate of convenience and necessity issued by the Government.

What do we know about the contracts in South America? The Civil Aeronautics Authority at this moment is engaged in a study of the contracts in South America, at least of the rates.

Mr. TYDINGS. Will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TYDINGS. The provision about which the Senator from Wyoming is concerned is nothing more than payment to the Portuguese Government for an easement, such as is necessary in any one of the European or South American countries. One has to deal with a government before he can come in, and they make a charge as a revenue producer.

Let me point out to the Senator that 40 percent of the revenue from these lines comes from carrying the mail to foreign countries and 40 percent of the revenue comes from carrying mail from foreign countries. So, naturally, the Portuguese Government, furnishing the terminus on the eastern end, wants to be paid for the service if it originates in Portugal. That is all there is to it.

Mr. O'MAHONEY. Mr. President, the Civil Aeronautics Board, established by act of Congress, issued this certificate of convenience and necessity after a protracted hearing in which the applicant, the Export Lines, was represented by counsel, and in which the Pan American Lines appeared as an intervenor, beginning then its campaign to prevent the establishment of competition. That was a hearing which I am advised took weeks, involving careful study by the experts of the Government and careful study by the experts of the two lines to develop the facts. The Civil Aeronautics Authority, after reviewing the facts, reached its decision. It is now undertaking, as I have said, a study of the rates paid to the Pan American for air transportation in South America. It must be remembered that the rates which are being paid in South America are vastly in excess of the rates paid to companies traversing continental United States.

A technical problem, delegated by Congress to a technical commission, has been acted upon by that commission; its decision has been announced in the most free and fair manner possible, and the Committee on Appropriations, supporting the recommendation of the Bureau of the Budget, which approved the item, has recommended to this body that the whole item authorized by the Bureau of the Budget be approved. It is my feeling that it should be approved.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TOBEY. I know very little about this subject, and I realize that the McKellar amendment is a controversial part of the pending legislation. I now ask the Senator what the vote was in the committee on the McKellar amendment.

Mr. O'MAHONEY. If by "the McKellar amendment" the Senator means the motion to restore the Budget estimate, I think it carried by one vote. The exact parliamentary status was this: A motion submitted by the Senator from Maryland [Mr. TYDINGS] was defeated by

one vote, and then the committee by an overwhelming vote reported the amendment which is now before the Senate. The Senator from Arizona [Mr. HAYDEN] will, I think, confirm my statement in that regard.

Mr. TYDINGS. Mr. President, I should have to make a slight correction in the statement of the Senator from Wyoming, and I know the mistake was unintentional on his part. He says that the final proposition was carried by an overwhelming vote.

Mr. O'MAHONEY. That is what I understand.

Mr. TYDINGS. The term "overwhelming vote" might be construed to mean it was almost unanimously carried. I think the figures will show that while it carried by a larger majority than that by which my amendment was defeated, there was considerable opposition to it. I merely make that correction in the interest of accuracy.

Mr. O'MAHONEY. Of course, I did not want to imply it was a unanimous vote, but the majority was very much larger than that by which the Senator's amendment was defeated.

Mr. TYDINGS. To tell the whole story, my motion was adopted in the committee—

Mr. O'MAHONEY. The Senator thought it was adopted.

Mr. TYDINGS. After the committee had left the room, we were called back and advised that the Senator from Pennsylvania had in the meantime changed his mind. So, although some of the members were absent from the committee, there was some little discussion, and the Senator from Pennsylvania said he wanted to change his vote, which gave a majority of one to defeat the amendment which would have prevented the waste of millions of dollars.

Mr. TOBEY. So that on the Tydings amendment the committee was practically evenly divided?

Mr. TYDINGS. The Tydings amendment originally carried by one vote, but finally lost by one vote.

Mr. O'MAHONEY. Mr. President, I think that in fairness to the Senator from Pennsylvania it should be clearly stated that in the subcommittee which passed upon this question the Senator from Pennsylvania voted exactly as he voted in the full committee. He voted in the subcommittee against the proposal of the Senator from Maryland, and when the vote was held in the full committee, and the Senator from Maryland, in such enthusiasm as he is always capable of, dashed from the room to convey the good word, the Senator from Pennsylvania asked the chairman of the committee how he was recorded, and he said, on being informed, "I voted under a misapprehension. I desire to be recorded against the motion of the Senator from Maryland."

I may say that almost anyone could be excused for being confused by the very able and persuasive and subtle arguments of the Senator from Maryland.

Mr. President, I ask unanimous consent to have printed in full at the conclusion of my remarks the letter of December 10, 1940, from Mr. Trippe to the

Postmaster General, and the contract between the Portuguese Government and the Pan American Airways Co., from each of which I have read excerpts.

There being no objection, the letter and contract were ordered to be printed in the RECORD, as follows:

DECEMBER 10, 1940.

The honorable the POSTMASTER GENERAL,
Washington, D. C.

SIR: Under date of November 29, 1939, I had the honor to advise your Department that our company expected to increase the frequency of our trans-Atlantic service to six trips per week during the early spring and summer of 1941, utilizing the additional equipment ordered some months previously and then under construction.

On December 8, 1939, the Department replied to this letter, stating that it would be glad to authorize for mail service the additional trips which our company was planning to operate between New York and Lisbon if the Bureau of the Budget and Congress should grant appropriations for the purpose. The Department suggested that it would be advisable for us immediately to apply to the Civil Aeronautics Authority for the fixing of a mail rate on the additional trips, and stated that the rate set forth in our application would then serve as a basis on which the Department could make an estimate to submit to the Bureau of the Budget and the Appropriations Committee.

In accordance with this suggestion, our company on or about December 28, 1939, filed with the Civil Aeronautics Authority an application for the fixing of fair and reasonable rates of compensation on additional trans-Atlantic trips to be operated by our company. A copy of this application was served upon your Department, as required by the regulations of the Civil Aeronautics Authority.

Our company has recently been advised by the manufacturer of the aircraft ordered in September 1939, referred to in the above-mentioned correspondence, that such aircraft will be delivered on dates which will permit the addition of third and fourth weekly round trips in April 1941; of a fifth weekly round trip in May; and a sixth weekly round trip in June, so that after July 1, 1941, daily except Sunday service can be initiated, all such services to be nonstop between Bermuda and Lisbon.

Since the additional trips would not require substantial additions in ground or overhead expenses, the rate of compensation for such trips can, of course, be much lower than for the initial trips. This was recognized in the application filed by our company last December which stated as fair and reasonable rates \$14.100 per out-bound trip for the third and fourth weekly trips, and \$12.800 per out-bound trip for the fifth and sixth weekly trips, as compared with the existing rate of \$21.600 for the first two trips. However, as a result of the further increases in traffic resulting from the war, our company now believes that, as long as this condition continues and all of such traffic remains available to us, rates for the additional trips considerably lower than those stated a year ago would be fair and reasonable. Accordingly we are submitting to the Civil Aeronautics Board an amendment to the said application in which we state as fair and reasonable rates the following:

	Per out-bound trip ¹
For the first 2 round trips per week	
the existing rate of.....	21,600
For the third round trip.....	13,800
For the fourth round trip.....	9,000
For the fifth round trip.....	8,500
For the sixth round trip.....	8,000

¹Includes provision for self-insurance against war risk.

All such rates would cover a maximum mail load of 1,600 pounds, the rate for excess mail remaining at the present figure of \$4 per pound. These rates assume that all foreign mail revenue earned on the trans-Atlantic route will be collectible, and if the efforts being made by your Department to effect collections of such revenues should not be successful, a substantial increase in these rates will be required.

It has been a source of great satisfaction to our company that the volume of mail transported on trans-Atlantic air service has been such that, as we are informed, the service is currently operating at a profit to the Post Office Department. Because of the economies incident to the operation of additional schedules, the Government would be able, under the rates which we have stated to the Civil Aeronautics Board to be fair and reasonable, to have trans-Atlantic air-mail service daily except Sunday at a very reasonable cost.

Respectfully,

J. T. TRIPPE, *President.*

[Translation]

CERTIFIED COPY

I, Alfredo Delesque dos Santos Cintra, major of the Aeronautical Force, secretary of the National Air Council, certify that the following is the text of the contract entered into between the Portuguese Government and the corporation, Pan American Airways Co., and published in the *Diario do Governo*, second series, No. 86, of April 14, 1937:

CONTRACT ENTERED INTO BETWEEN THE PORTUGUESE GOVERNMENT AND PAN AMERICAN AIRWAYS CO., A CORPORATION

I, Alfredo Delesque dos Santos Cintra, major of the Aeronautical Defense, secretary of the National Air Council, appeared at the offices of His Excellency, the president of the council, on April 3, 1937, there being present His Excellency, Dr. Antonio de Oliveira Salazar, president of the council, as first party, in representation of the Government, of the first part, and Pan American Airways Co., a corporation duly organized and existing in accordance with the laws of the State of Delaware, United States of North America, of the second part, represented by Sociedade Tecnica & Maritima, Limitada, whose head office is in this city of Lisbon, No 128 rua dos Sapateiros, first floor, in conformity with documents filed in the offices of the technical secretary of the National Air Council, His Excellency, Counselor Francisco Henriques Gois, attorney general of the Republic, also being present. The parties declared, in my presence and in that of the witnesses hereinafter named, and whose signatures appear at the end of this instrument, that they obligate themselves to observe and comply with the following clauses, strictly in accordance with the terms thereof:

First. The Portuguese Government grants to Pan American Airways Co.:

(a) The right to operate, for a period of 25 years, counting from the time when the present agreement becomes effective, air lines for the transportation of passengers, cargo, and mail between Lisbon and North America, and vice versa, either directly or via the Azores, it being understood that in the Atlantic crossing Lisbon will be the final point of departure and the first point of arrival on the European Continent.

(b) The right to operate, for a period of 25 years, counting from the time when the present agreement goes into effect, air lines for the transportation of passengers, cargo, and mail between Lisbon and Great Britain, and vice versa, either directly or via one or more points in Europe.

(c) Authorization, for a period of 18 months, counting from the time when the present agreement becomes effective, to make the necessary studies and investigations for the establishment of those lines.

(d) During the term of the present agreement: The right to fly over and land in Portugal and the adjacent islands and respective territorial waters; the free and gratuitous use of the radio-electrical installations presently existing or erected in future, belonging to the Government, and which may be necessary for the operation of the lines which are the subject of the present agreement, provided such use does not imply any special expense for the Portuguese Government and there is no interference with the services of the Government, nor any liability for the nonfunctioning or deficiency of the installations, or for any other reason; the free and gratuitous use of the airdromes and ground structures and facilities, including the meteorological information service belonging to the Government, but not open for public traffic, provided that these have to be used by reason of force majeure and provided that such use does not imply any special expense for the Portuguese Government and that there is no interference with the services of the Government, nor any liability for the nonfunctioning or deficiency of the installations, or for any other reason; the right to have such aircraft as may be necessary for carrying on its air-transport services, anchor, maneuver, and stay in the territorial waters of Portugal and the adjacent islands.

First paragraph: "Lisbon" is understood to mean the area of the city, the area of jurisdiction of its port and the lands bordering on the water, within a zone 5 kilometers long, it being understood that this area may be enlarged if this be made necessary by reasons of a technical nature.

Second paragraph: In case the result of the studies and investigations is favorable, the agreement (or authorization) will continue in effect for 18 months more, during which time Pan American Airways Co. will formally declare whether or not it will establish the line contemplated (or—the line provided for). If the company makes a declaration in the affirmative, the commencement of the regular operation of the line must take place as soon as this may be permitted by the conditions and circumstances on which its establishment depends; however, the period for its inauguration may not be longer than 5 years, counting from the time when the present agreement becomes effective. Everything granted by the Portuguese Government under the present agreement will be canceled immediately and automatically; if, during the period granted for the studies and investigations, or at the end of such period, it is recognized that the result of such studies and investigations is not favorable; if, during the additional period of 18 months, Pan American Airways Co. declares that it will not establish the contemplated air line, or if it does not make any declaration; or if, having declared that it will establish the line, it does not commence regular operations of the line within the maximum period of 5 years above indicated, counting from the time when the present agreement goes into effect.

Third paragraph: The Portuguese Government reserves the right to have its delegate accompany the technical investigations and studies referred to in the present clause. Pan American Airways Co. obligating itself to assist the said delegate in the discharge of his mission.

Second. The Portuguese Government, for the purpose of facilitating the efficient operation of the contemplated air services (or the air services provided for), will organize customs, police, and sanitation services at the airdromes to be utilized.

Third. The Portuguese Government obligates itself, during a period of 15 years, counting from the time when this agreement becomes effective, not to grant to any person or group of persons of American nationality, or to any individual, enterprise, company, or

organization directly or indirectly subordinate to persons, companies, or organizations of American nationality, provided Pan American Airways Co. produces sufficient proof of such subordination, the right to operate regular air lines for the transportation of passengers, cargo, or mail between Portugal and North America. Single paragraph: This obligation on the part of the Portuguese Government will lapse immediately and automatically if on any occasion, and during the period for which it is undertaken, the Portuguese Government or the Government of the United States of North America should accept any international agreement relating to a combination (or union) of governments, or if any agreement should be signed between Portugal and the United States of North America, or between Portugal and England, which may be in opposition to the said obligation. Inversely, a treaty between Portugal and any other country other than the United States of North America or England will not, in itself, be the cause for the lapse of the concession granted in this clause.

Fourth. The Portuguese Government grants to Pan American Airways Co. for a period of 15 years, counting from the time when the present agreement becomes effective, the privilege of reexportation, subject only to the payment of the stamp tax on the respective clearance proceedings, for the aircraft, fuel, lubricants, motors, and spare parts for the use of the company's aircraft, as well as exemption from all municipal or other taxes and imposts of the Government, present or future (not including customs duties), with the exception of those representing remuneration for a service rendered, and taxes which may be incurred by the personnel of the company by virtue of any activity carried on in Portugal. It likewise grants demurrage exemption to fuel and lubricants carried on board the aircraft.

Fifth. Pan American Airways Co. obligates itself, upon the initiation of the regular operation of the lines, to notify the Portuguese Government as to the number of round trips to be made every year, and the company may not suspend these trips for a period exceeding 6 months, under penalty of the loss of the exclusivity referred to in clause third. In the event that Pan American Airways Co. should establish a line between Europe and North America during certain periods of the year over a route other than that passing via Lisbon and the Azores, it will be obligated to guarantee a connection between such route and Lisbon during such periods of the year, under penalty of the loss of the exclusivity referred to in clause third.

Sixth. Pan American Airways Co., when on Portuguese territory, will carry on its activities in conformity with existing laws and regulations covering commercial aviation or other public services related thereto, and in accordance with any laws or regulations which may be put into effect, provided that such laws and regulations are not in opposition to, or in any limit, the rights granted to the company by this agreement, and without prejudice to the dispositions or regulations which the Portuguese Government intends to establish pursuant to the International Air Navigation Convention.

Seventh. Pan American Airways Co. will have the right to transfer the rights, privileges, and facilities granted to it under this agreement to Pan American Airways Corporation, or, by virtue of authorization from the Portuguese Government, to any enterprise or company whose majority of capital belongs directly or indirectly to Pan American Airways Corporation or to any other company indicated by Pan American Airways Co., under the condition that all of the aircraft used in the contemplated air services (or the air services provided for) be registered in the United States of North America.

Eighth. Pan American Airways Co. will have the right to transmit and receive on

board its aircraft messages relating to the operation of the contemplated lines (or the lines provided for), and for the service of the passengers, but this right may not restrict or limit any other concession already granted by the Portuguese Government.

Ninth. The necessary agreements and contracts referring to the operation of the air-mail service and the accounting procedure with respect to the said service will be drawn up between the General Postal and Telegraph Administration and Pan American Airways Co.

Tenth. Pan American Airways Co. will grant to the Portuguese Government a participation in the gross proceeds from traffic of Portuguese origin in the following form:

During the first 5 years, 1 percent.
During the next 10 years, 2 percent.
During the next 10 years, 3 percent.

Eleventh. Pan American Airways Co., jointly with Imperial Airways, Ltd., obligates itself to organize a Portuguese company in accordance with any of the forms provided for in the Portuguese law, for the purpose of acquiring, constructing, maintaining, operating, and administering all of the ground structures and facilities which do not exist on Portuguese territory and which are necessary for the operation of the air lines contemplated (or provided for) in this agreement, provided that the Portuguese Government declares, within the period of 3 months counting from the date of the formal declaration made by the interested companies, pursuant to the terms of paragraph second of clause first, that it does not wish to take charge of all or part of the construction and operation thereof. In the event that the construction and operation of the ground structures and facilities should remain in charge of the Portuguese company provided for in this clause, the Portuguese Government grants exemption from customs duties on materials to be imported for the construction and maintenance of the ground structures and facilities, which are not manufactured, constructed, or produced in Portugal, or whose cost in Portugal may be 10 percent higher than that of merchandise imported from foreign countries, duty paid, and the Government will authorize, pursuant to existing legislation, the admission of such technical personnel as cannot be recruited among Portuguese citizens. In this case the Government will have the right to exercise strict supervision to the end that the service may be exclusively destined for air navigation, and the Government shall also have the right to requisition, occupy, and manage the ground structures and facilities in case of war or revolution, and to take them under lease, in whole or in part.

Twelfth. Pan American Airways Co. obligates itself to accept, whenever the Portuguese Government may consider advisable, the collaboration of a Portuguese air transport company, organized with capital proved to be Portuguese, and in a condition to operate regular transoceanic lines. The methods and the benefits and obligations resulting from such collaboration shall be equitably fixed by mutual agreement between the Portuguese Government and Pan American Airways Co. In the event of disagreement, recourse will be had to the arbitration mentioned in clause fourteenth.

Thirteenth. The nonperformance of the clauses contained in this agreement shall not be considered as failure to comply therewith in the following cases of force majeure, duly proved through official channels: strikes, fires, revolutions, war, epidemics, and interference by civil or military authorities, storms, tempests or bad flying conditions, fog, ice formations, accidents and disability, or inefficiency of the radio-telegraphic communications which are indispensable for the safety of the transportation.

Fourteenth. All questions or lawsuits resulting out of this agreement and which may in future arise between the Portuguese Gov-

ernment and Pan American Airways Co., shall be decided by a court of arbiters, consisting of a representative of each of the interested parties and presided over by a judge of the Supreme Court of Justice, designated by the respective president. This Court will render decision *ex aequo et bono*.

Fifteenth. This agreement will become effective on the date of its publication in the *Diario do Governo*.

Prior to the execution of this contract, drafts thereof were approved on December 3, 1936, and January 12, 1937, by resolution of His Excellency the President of the Council of Ministers, who approved the final draft, proof having been previously obtained that Pan American Airways Co. has been duly organized and is functioning in accordance with the laws of the State of Delaware, United States of North America, and that Sociedade Tecnica e Maritima, Limitada, is duly registered, and its authority is evidenced by power of attorney of June 12, 1935, and the substitution of October 15 of the same year, both documents having been filed and recorded in the office of Notary Tavares de Carvalho, of this district—all in conformity with the documents which were presented and are filed in the Department of the Technical Secretary of the National Air Council.

The present contract, containing the clauses above set forth, was concluded and accepted by the parties hereto, the witnesses being Messrs. Dr. Abel Pereira de Andrade, married, attorney at law, residing at 94 Avenida Almira Reis, third floor, Lisbon, and Carlos Esteves Ejea, major of the aeronautical force, member of the staff of the Technical Secretariat of the National Air Council, residing at No. 13 Rua Palmira, second floor, left.

In witness whereof I, Alfredo Delesque dos Santos Cintra, major of the aeronautical force, secretary of the National Air Council, sign the present contract, together with the persons above-mentioned, after having read the contract to them aloud.

Seals are affixed in the amount of 625 escudos.

ANTONIO DE OLIVEIRA SALAZAR.

CARLOS ESTEVES BEJA.

PEDRO F. PINTO BASTO.

FRANCISCO HENRIQUES GOIS.

AEL PEREIRA DE ANDRADE.

ALFREDO DELESQUE DOS SANTOS CINTRA.

Approved April 3, 1937:

TECHNICAL SECRETARIAT OF THE
NATIONAL AIR COUNCIL.

THE SECRETARY ALFREDO DELESQUE DOS SANTOS CINTRA.

In attestation whereof, and as a true and correct document, I issue the present certificate, which I sign and to which I affix treasury stamps in the total amount of 130 escudos, and authenticate with the white seal of this National Air Council.

TECHNICAL SECRETARIAT OF THE
NATIONAL AIR COUNCIL.

August 23, 1937.

THE SECRETARY.

(Signed) ALFREDO DELESQUE DOS SANTOS CINTRA.

[Treasury stamps.]

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Maryland?

Mr. O'MAHONEY. I have yielded the floor.

Mr. AUSTIN obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield a moment?

Mr. AUSTIN. Certainly.

Mr. TYDINGS. So that the facts may be made plain, first of all the Senator from Maryland did not offer his proposal in the subcommittee. So the Senator

from Wyoming is 100-percent wrong in his statement about that. In the second place, the Senator from Maryland did not rush from the committee room until after the committee had adjourned. So the Senator from Wyoming is 100-percent wrong in his statement about that. In many other matters in his argument he has been a little more than a hundred percent wrong. [Laughter.]

Mr. AUSTIN. Mr. President, all we have before us for consideration is an amendment on page 51, line 7, to strike out a certain item and substitute another for it. That is all there is upon which this great debate is occurring, but principles of importance to government and policies of government and operations of government are involved.

Mr. TYDINGS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Vermont yield for that purpose?

Mr. AUSTIN. I yield for that purpose.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Norris
Aiken	George	Nye
Andrews	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Glass	Pepper
Ball	Green	Radcliffe
Bankhead	Guffey	Reynolds
Barkley	Gurney	Russell
Bilbo	Hatch	Schwartz
Bone	Hayden	Shipstead
Eeroos	Herring	Smathers
Brown	Hill	Smith
Eulow	Ho man	Spencer
Bunker	Hughes	Stewart
Burton	Johnson, Calif.	Taft
Butler	Kilgore	Thomas, Idaho
Byrd	La Follette	Thomas, Okla.
Byrnes	Langer	Tobey
Capper	Lee	Truman
Caraway	Lodge	Tunnell
Chandler	Lucas	Tydings
Chavez	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wallgren
Connally	Maloney	Walsh
Danaher	Mead	White
Davis	Murdock	Wiley
Downey	Murray	Willis

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

Mr. AUSTIN. Mr. President, if the Senate should accept the amendment reported by the committee, it would strike out \$15,477,831 and insert in lieu thereof \$16,693,831, which would increase by \$1,216,000 the appropriation for trans-Atlantic air-mail service, and I understand from the record and from the debate which has occurred that that sum of money would be paid for the subsidization of an additional air-transport company to perform a duplication of a public service for which the Government is already paying.

I am interested specially in three aspects of this question as it arises on debate. The first one is: Are we as a Congress about to ratify an act by an administrative agency of Government right in the face of the policy of the people of this country as found and declared by the Congress? Of course, it is not our duty to pass upon the legal issue which is now being tried out in a court of justice, an issue raised by the act of

the administrative agency, and probably it would be improper for me in discussing the matter from the point of view of a legislator, to express an opinion upon the merits one way or the other of what took place in 1940 in an agency of Government, in order even accidentally to affect the decision in that case, and in what I have to say here. I want to absolve myself of any such possible inference.

I wish to deal, if I may, with the question as it is presented to us, for it is quite a different question than that which is presented to the court, and that which was presented even before that to the Civil Aeronautics Board, for now we have a fact of great importance established which did not then exist, and that is a new company, which was not then engaged in transportation by air, now having that capacity. So, as a legislative body, we are not hampered by what was alleged by the majority of the Board in its opinion, namely, the nonexistence currently with the decision of a transportation entity which was already an air carrier. As we consider this policy we have before us a transportation company that is now an air carrier. In that respect the situation vastly differs from the condition of facts as they stand upon the record in the courts. I want to clear the decks of that and visualize this question on principle. What will be the effect of our vote on this amendment upon the public of the United States? That is the main question.

In the first instance, I think the debate has shown that economically the effect of the adoption of the amendment upon the public would be to add an additional burden of cost for transportation by air of mail across the Atlantic. There is no other view of the matter that seems to me to be reasonable at all. The addition of \$1,200,000 to the subsidy already provided for a similar purpose would necessarily increase the cost to the public of transportation by air. That is strictly contrary to public policy as established by the Congress heretofore for many years, as clearly pointed out by the Senator from Maine [Mr. WHITEL] yesterday. It would be trying to paint the lily to comment upon the same aspects of the matter which were discussed by the Senator from Maine, and so I shall try to avoid that, but necessarily I must go to some extent into the same field.

I make the claim that we are dealing with two kinds of monopolies. That is a fundamental fact to be nailed down solidly when we are answering the question whether we are about to reverse our policy with respect to transoceanic transportation.

One of those monopolies is a public monopoly, and the other is a private monopoly. One of those monopolies is the kind of monopoly that is created as a matter of policy by the Government of the United States for the benefit of its citizens. The public interest demands a monopoly in transportation; so such a monopoly is created. It is not created in order to enrich a corporation or a group of individuals who conduct the transportation. It is our policy and our interest, founded upon the idea that transportation of our goods and our persons

must not be curtailed or restrained by another transportation company. So in the development of transportation to foreign lands, as in the development of transportation among the several States, we have established the definite policy that our agent, as it were, the private corporation that represents the public interest in conducting this character of business, shall be fostered and saved and upheld just so long as that agency needs a subsidy, and no longer. When conditions improve to the degree that the transportation agency or unit is competent without a subsidy, to carry the goods, mail, and persons that are required to be carried in the public interest, then the subsidy is to be eliminated.

We find that such a type of monopoly is a proper one. Of course, the word "monopoly" has come to be an opprobrious adjective. It is used to create prejudice. Often we hear men speak of monopolies as though we could get along without monopolies in the world and as though all monopolies are bad and none of them are servants of the people.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. TYDINGS. In connection with what the Senator is saying, when Pan American first started its operations in 1929 the amount of the subsidy was about 90 percent of the cost of operation. The subsidy has been systematically reduced every year, until today Pan American receives a subsidy of less than 50 percent of the cost of operation. Each year the subsidy percentage has grown less and less as the volume of air business has increased; and the day may come, as I hope it will, when it will be possible for the companies to operate without any subsidy from the Government of the United States, even in the form of mail pay.

Mr. AUSTIN. I thank the Senator for that helpful suggestion.

The Supreme Court has considered a great variety of cases involving public service, in which the capital of our people has been brought together in corporate form and private management has taken the risks and pioneered communication, transportation, or other aids to commerce; and our Government has granted monopolies and protected such enterprises. The Supreme Court has declared that such types of monopoly are lawful and are entitled to protection. I think the best editorial statement of it is found in an opinion by the United States Circuit Court of Appeals for the District of Columbia, in the case to which the Senator from Maine referred, before Chief Justice Groner and Associate Justices Miller and Edgerton. In that case the opinion states, among other things:

To prohibit concerns "unlawfully to create monopoly" is to recognize that monopoly may be lawful, as most public utility monopolies are.

I shall not read the reasoning, but it is very fine, and would be interesting to anyone who might care to pursue it further in this discussion.

I claim that to break down the protection which our Government affords to one company which is a public monopoly by virtue of the law Congress passed

creating the Civil Aeronautics Authority would be to reverse the policy of the people of this country, established by the Congress, and to reverse it without legislation, and by the devious method of raising the figures in an appropriation bill by \$1,200,000. I am against the method, and I am against the effect of it.

On the other hand, we would be reversing our national policy with respect to private monopolies. We have declared that policy by law after law. I do not know that the beginning was in 1912, with the Panama Canal Act. I think the principle will be found back in the Clayton Act and in the Sherman antitrust law. As a lawyer, and remembering the laws, but not having lately reviewed them, I should say that the principle to which I have referred is the very essence of the laws which prevent interlocking directorates and undertake to prevent mergers and consolidations, and also those that undertake to prevent the giving of two different public concessions to the same corporation. All those laws were based upon the theory which we have hugged to our bosoms, namely, that transportation must not be subject to curtailment or restraint by any other transportation medium.

Mr. BONE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BONE. A few moments ago the Senator from Maryland [Mr. TYDINGS] referred to the cost of operation. What is included in the term "cost of operation"? I was not present when the Senator from Wyoming [Mr. O'MAHONEY] cited some figures today. He said that the owners of the company had put some \$24,000,000 into the company, and that it had assets of \$56,000,000, or a difference of some \$30,000,000. That property belongs to the owners of the company. It is an asset. It is their property. Is it part of the cost of operation or is it a gift from the Government to the company to build up a huge capital structure at public expense? It is more than a subsidy. It is a huge capital investment which in large measure is made up of funds from the United States Treasury. I am wondering if that is part of the legitimate cost of operation. I should like to operate a business on that sort of basis, regardless of whether it might be an airline company or a steamship company. For years we paid subsidies of that kind, which were a reproach, to steamship operators, including, I think, even the American Export Lines. I am wondering if we are to call such a contribution an operating cost when it is, in effect, as every lawyer knows, a gift to the company. We built up a huge capital structure and made a present of it to the company.

Mr. AUSTIN. Mr. President, I think I should prefer not to yield for speeches like that of the Senator from Washington. The matter to which he refers does not apply at all to what I am undertaking to say, and I should like to have the privilege of concluding as briefly as possible my remarks on this point.

If we adopt the pending amendment, we will thereby declare that we have changed our national policy with respect

to private monopolies, which we have denounced. As applied to the instant matter, we have denounced them in section 408 (a), which is a part of the record; and the part to which I call attention reads as follows:

SEC. 408 (a). It shall be unlawful, unless approved by order of the Authority as provided in this section—

* * * (5) For any air carrier or person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to acquire control of any air carrier in any manner whatsoever. * * *

That is the policy of this Government.

Mr. President, how did the pending amendment get before us? By what authority shall we proceed to appropriate money to this American Line—I do not even know its name. By the device of the Civil Aeronautics Board saying, "We do not need to pass on the question of acquisition at all, because the company to be acquired has not yet gone into the air-mail business or the air transportation business." I shall not discuss that, because I do not want to influence the judgment of the court on that question. That is one of the questions involved in court trial; but I submit that, as the problem confronts us, the claim made before the Commission cannot be made here; because now, as the problem is presented to us, the company which has been acquired is a carrier by air and now comes within the denunciation of the act in its very terms, as well as in its spirit. Yet, if we adopt the pending amendment, we are saying that now we approve of an air-transport company's being acquired by a company engaged in transportation on the ocean. That is what we would do if we should adopt the pending amendment. It would represent a complete reversal of our policy, which is the policy of the United States until we legislate to the contrary. In other words, the effect of adoption of the amendment would be that we would be placing in the hands of an ocean transportation company and, through it, in the hands of a great banking concern, the power to curtail or restrain transportation by the air-mail company which it owns. That is contrary to public policy. We would not adopt such a policy if it were clearly before us and we had to act on it at this minute; we would not take any such foolish action as that, because it would be against the interest of the public. The public must not be interfered with, or exposed to the danger of being interfered with to the extent that a competing transportation company, engaged in another form of transportation, can control the transportation by air of our goods and of our bodies from this country to another country. If we are to have competition, we want it to be free competition, or only regulated competition—and if the latter, then regulated only by government. We cannot bear to have it regulated or controlled by another private corporation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. TYDINGS. Let me point out, in line with what the Senator from Ver-

mont is saying, that if we should grant the steamship company the right to own the air company, we would be paying, in addition to the shipping subsidy, a mail subsidy to the steamship company and a mail subsidy to its air company operating on the same route.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HAYDEN. I take it, then, that the Senator from Vermont stands opposed to the existing arrangement whereby the Grace Steamship Line and Pan American Airways jointly own—half and half—an air line operating on the west coast of South America. The Senator believes that is a bad arrangement?

Mr. AUSTIN. Yes; that is always a bad arrangement.

Mr. HAYDEN. Would the Senator go so far as to say that no steamship company should own stock in Pan American Airways, as do the Matson Line, the United States Lines, and other steamship lines?

Mr. AUSTIN. That question is not definite enough to give me a clear picture of the situation. I do not know what that situation is. I do not think it fair to take up other cases and undertake to try them out here during debate upon a matter which does not relate to them.

Mr. HAYDEN. It is not that; it is a question of principle.

Mr. AUSTIN. Well, on principle I adhere to what I have said at least six times, that transportation of the people's property must not be subject to curtailment or restraint by another transportation medium. That is the proposition, and I adhere to it.

Mr. HAYDEN. I take it, then, that the Senator would approve of the action taken by the Maritime Commission in requiring the Export Line to get its money out of its air-line business as soon as it possibly can.

Mr. AUSTIN. Mr. President, however the Senator from Arizona takes it, I think the attitude of the Maritime Commission is well shown by the testimony appearing at page 105, as follows:

Admiral LAND. Well, I gave you my heart's blood on my ideas of monopoly on sea transportation very definitely and very positively: that foreign flags will always give American-flag operators all the competition they want and more than they can stand; so therefore I consider that in normal times foreign air-line operators will always give American air operators all the competition they can stand, and more, and these United States, on the basis of standard of living, will have to subsidize that form of transportation, not only now but also indefinitely in the future.

I believe our policy must continue, until circumstances change materially, to be that when we subsidize one form of transportation it should attend to its business and make itself efficient and economical and able to perform the service for which we grant the monopoly, and that it should not reach over and try to get into another monopoly—a public monopoly, of course—by means of a private transaction for which afterward it gets the sanction of Congress. For this is a private deal; the acquisition of

American Air Lines by the American Export Steamship Co., or whatever it is called—and Members of the Senate will understand to what I refer; I do not know the names very well—that acquisition was a private acquisition, and the Civil Aeronautics Board refused jurisdiction to pass upon the acquisition. I will not say what I think about their refusal.

Mr. TYDINGS. Mr. President, will the Senator yield there?

Mr. AUSTIN. I yield.

Mr. TYDINGS. In order to keep the RECORD straight, let me say that the case before the Senate is one in which the steamship company owns 100 percent of the stock of the air company. The case to which the Senator from Arizona [Mr. HAYDEN] referred was one in which a steamship company owned a few shares of stock but not control or domination of the competing company. It may be wrong to have it own any of the stock, but certainly there is a vast difference between a steamship company's complete ownership of a subsidiary and another steamship company's having only a mild voice in the operation of a competing air company.

Mr. AUSTIN. I thank the Senator from Maryland. I questioned the claim of the Senator from Wyoming [Mr. O'MAHONEY] about the position of the minority of the Commission, and I desire to read a portion of the minority opinion in order to show why I questioned it. I cannot state accurately the page on which appears the language which I shall read, because I am looking at something else; but this is the part of the minority opinion to which I refer:

The majority's view involves us in the inescapable and, to my mind, unsupportable conclusion that although the steamship company will at some time find itself in control of American Export Air Lines, Inc., as an air carrier, it will never have "received in any way whatever" control of that air carrier.

In other words, those members of the Board joining in the dissenting opinion held that they could not possibly agree to this shutting out of view of the ultimate result of control of air transportation between here and Lisbon by a steamship company. That is the very thing that is denounced by the policy of our law, and here we are asked to adhere to it on the ground that it is in accord with our national policy.

Mr. President, I am convinced, after listening to this debate, that approval of this amendment would reverse our policy with respect to both types of monopoly, those that have been regarded as legal because of coming from the Government and being granted by us, and those that are illegal because of being created by personal acts, private undertakings, such as the one entered into between the steamship company and the air-line company.

There is one question that occurs to me, and that is, if it be true, as it appears to be, that the company now having the monopoly, the legal form of monopoly, cannot continue to operate without subsidy for the carriage of the mail, if it be true that no other company doing a like service between the same points could operate or continue to operate without subsidy for carrying the mail, what

reason in the world is there that we may not mulct the public of the United States to the tune of three or four instead of two companies performing the same service? Why not have a riot of looting the people, for the money comes out of the people? So long as these monopolies can be created in duplicate and triplicate to perform the same service for the people, one of two things must happen: Either the people must pay more and more and more to maintain two services instead of one service or four services instead of one service, or else the business must grow by leaps and bounds to such an extent that the subsidy will not be necessary.

So, regardless of the principle that is being violated here, regardless of the policy respecting transportation that is being violated here, namely, that one transportation company shall not be authorized by us to curtail or restrain the acts of another transportation company, right down to that little thing that affects the pocketbook of the man who sends a letter or a postal card across the Atlantic Ocean, we ought to vote against the pending amendment.

Mr. DANAHER obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. TYDINGS. I should like to suggest the absence of a quorum. A good many Senators would like to hear the Senator from Connecticut.

The VICE PRESIDENT. Does the Senator from Connecticut yield for that purpose?

Mr. DANAHER. It is an unusual honor, Mr. President, but I yield for that purpose.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Norris
Aiken	George	Nye
Andrews	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Glass	Pepper
Ball	Green	Radcliffe
Bankhead	Guffey	Reynolds
Barkley	Gurney	Russell
Bilbo	Hatch	Schwartz
Bone	Hayden	Shipstead
Brooks	Herring	Smathers
Brown	Hill	Smith
Bulow	Holman	Spencer
Bunker	Hughes	Stewart
Burton	Johnson, Calif.	Taft
Butler	Kilgore	Thomas, Idaho
Byrd	La Follette	Thomas, Okla.
Byrnes	Langer	Tobey
Capper	Lee	Truman
Caraway	Lodge	Tunnell
Chandler	Lucas	Tydings
Chavez	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wallgren
Connally	Maloney	Walsh
Danaher	Mead	White
Davis	Murdock	Wiley
Downey	Murray	Willis

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

Mr. DANAHER. Mr. President; it seemed to me that I might relate to the Senate a thought that is pertinent to the pending question by way of parable to be drawn from a reference to a pending bill, Senate bill 922, which is before the Committee on Territories and Insular Affairs.

Writing to the committee under date of September 26, 1940, the Delegate from Alaska, Hon. ANTHONY J. DIMOND, says:

The act of May 20, 1935, sought to be amended, Public Law 63, Seventy-fourth Congress, authorized the town of Seward, Alaska, to construct and operate a municipal electric system. Section 6 of the act gave authority, in the alternative, to purchase a privately owned electric system then and now being operated at said town by an organization described in the act of May 20, 1935, as Seward Light & Power Co., a corporation. Seward Light & Power Co. was not then and is not now a corporation but is merely the trade name under which the business is carried on. On May 20, 1935, the property in question was owned by a man named Samuel M. Graff, who has since died, and whose heirs or devisees have succeeded to ownership of the property.

In any event, the authority given in section 6 was not exercised, and the city instead constructed and has operated a municipal electric system.

Let me say, Mr. President, that the city did it by the use of public funds, as I am informed.

By the census of 1940 the population of Seward is given at 941. The town is not large enough to support two competing electric systems. Both are now being operated, one by the city and one by the heirs of Samuel M. Graff under the trade name of Seward Light & Power or Seward Light & Power Co. Obviously it would be to the advantage of the town of Seward to purchase and take over the competing electrical system and a telephone system therewith connected if purchase of the same could be made on reasonable terms. The privately owned system operates by water power, and thus a considerable saving could be made on the cost of fuel now necessary to operate the municipal plant.

In any event, if S. 4368 is enacted—

That was the number under which S. 922 was pending in the previous session—it will be possible for the city to undertake negotiations looking toward the purchase of the privately owned competing plant. Unless some such legislation is passed both plants will continue to be operated until one or the other is driven out of business. In my judgment it would be much better all around if the private plant could be purchased on reasonable terms.

It will be noted that S. 4368 requires that any proposed purchase of the private plant must be approved by the holder or holders of not less than 75 percent in principal of the electric revenue bonds of the town outstanding and by a majority of the qualified electors of the town.

I hope that the bill may receive favorable consideration.

Mr. President, the Secretary of the Interior later wrote to the committee in connection with this very matter. The Secretary of the Interior was the person under whose aegis the Government funds had been used in that town of 950 people in the first place, and a public plant created with public money to drive out of business the privately owned plant then serving the people adequately. The Secretary of the Interior wrote to our committee:

Both electric plants now solicit patronage from the residents of Seward, a town of approximately 950 inhabitants. It need hardly be demonstrated that there is insufficient sale of electric current to support two producers and distributors. Due largely to the divided patronage, the town has with difficulty been able to meet its interest obligations. The present owners of the private utility—heirs

of Mr. S. M. Graff, owner in 1935, have, I understand, indicated a willingness to sell.

So, Mr. President, having created the plant in the first place, using the funds of all the public to create it for the purpose of driving the privately owned plant out of business, the Secretary of the Interior now writes to us that there is insufficient revenue from the 950 people in the town to maintain both plants, and obviously the only and inevitable result was to drive out of business the privately owned and operated system, which obviously could not compete against the Treasury of the United States. Now there is pending before our committee a bill to authorize the acquisition of the privately owned plant.

Mr. President, there is a lesson for us in this incident. It applies particularly to the pending amendment. Here we have under direct subsidy by the United States Government, to be sure, but with the understanding and the intelligent cooperation of every official of every administration down through the years, the Pan American Corporation, which was the first to inaugurate the overseas flying service and put the United States in the position of competing with foreign air service overseas.

It is true there have been capital disbursements by the corporation as the result of the subsidy which has been collected by it, but in return the corporation has been able to gain for our country bases in countries which our Nation as a nation could not enter. It has been able to extend throughout South America, throughout both the Pacific and the Atlantic Oceans a system under which bases in the name of the corporation have been acquired, in places where our country simply had no entree whatever.

It becomes apparent in these days that the best investment the United States made in the field of assisting this Pan-American Trans-Atlantic Aircraft Corporation was the acquisition of those very bases, and the capital investment thus laid out has been returned to us manyfold over and above the original cost.

But that is not all. From the days when the corporation was earning only 10 percent of its operating expenses, there has been annually a constantly decreasing ratio of contributions by way of subsidies, and the net result is that the corporation is being put on a solid footing, able to compete, although privately owned, with the aircraft corporations, trans-Atlantic and trans-Pacific in nature, owned by other nations, or their nationals, and subsidized either in whole or in part by those nations. Is it not significant that the two boats which Germany has succeeded in shuttling through the British blockade to South America during the past month have both been laden from stem to stern with commercial aircraft? Is it not a significant touchstone with which to gage what should be our policy, foreseeing the day when possibly, on a world-wide basis, foreign-owned companies may be in a position to establish supremacy in the air, we should support a program to utilize our established bases to compete and to be ready in future to compete, in a field

which we as a Nation cannot and should not ignore.

Mr. President, as control of the seas in times past has been the basis, the gage, upon which to test the status of a nation, just so may control of the air in the future prove a bulwark by which we will support our position as a Nation and lay a foundation for our competition with other nations throughout the world.

We have achieved that supremacy at the present time in the name of the United States through the foresight of American stockholders in an enterprising, capably managed, efficiently run trans-Atlantic and trans-Pacific company, the Pan American. Our Nation has recognized the possibilities, and for years has given its support to the efforts of Pan American. Only recently have some interests appeared who would now undertake to ask us to subsidize a new line to drive the Pan American out of business, as in the case of the Seward Electric plant.

Do we have before us a question that the American Export Lines should receive a subsidy for a new line via Newfoundland and Greenland, the Orkneys, and Narvik, or to some other northern European port? Oh, no. Are we asked to allow them to pioneer in some new field? Oh, no. They ask at a time when they know that the Civil Aeronautics Authority has the power tomorrow, if it chooses, to curtail the license of Pan American; that they be put right into competition with an existing company, an existing service, between existing ports, on a basis which has been established by the Pan American.

The gross unfairness to the latter company itself is only one element of approach; more importantly, we would ignore the rights already accrued and the best interests of the American Nation as a nation in the establishment and continued—and I hope the perpetual—maintenance of our present supremacy in international air travel.

Far from our being asked now to consider a proposition of introducing a competing line which will tend to destroy an alleged monopoly, the Pan American, we should be asked to increase the subsidy to the Pan American and give it a chance to expand in order to meet the world needs of the present day. That is the question which should be before us, instead of seeking funds to develop a new and competing service by the American Export Lines.

Mr. President, there is an additional phase of this matter, it seems to me, which we should not overlook; that is, the phase that we have through Pan American trained overseas navigators, aircraft navigators, so valuable these days when our very existence as a Nation may be threatened. Pan American is the only line that has had such experience that our people have entrusted to it both their lives and our national property in overseas transit. It is the only line which is capable of training additional pilots for transoceanic flights these days, and at the present minute it is training, in behalf of the United States of America, at cost, 1,800 such pilots for the United States Navy.

Mr. President, the interest of the company itself and its personnel in such a venture is a natural one. I heard references made to Mr. Trippe. I have known Mr. Trippe for some 20 years. He was at college with me and I knew him well. He was a naval aviator during the last war. He and a group of people similarly minded, ambitious, fearless, willing to take a step which neither this Nation nor any interests in it had ever developed at all, got together the nucleus of this corporation—the Pan American—and they have steadily developed it on a businesslike, worth-while basis, pioneers in transoceanic flying service, safe, dependable, and badly needed.

I submit that in the light of all the record which has been made in the matter before us, the pending committee amendment should be defeated. Far from its stimulating a competition which would be worth while in its result, we have, quite the contrary, grounds for the condemnation which the President of the United States himself expressed with reference to competition on an unhealthy basis. In his message to the Congress on April 29, 1939, he said:

Competition, of course, like all good things, can be carried to excess. Competition should not extend to fields where it has demonstrably bad social and economic consequences.

The New York Times on December 11, 1937, reported concerning a conference of the President of the United States as follows:

A chapter earlier in the history of railroad building was sketched; how shippers had encouraged the construction of two roads where one would have sufficed. The shippers felt, he said, that if they had competing services their communities would receive better service. That situation had made for a bad condition, one which impaired the solvency of the Nation's railroad system. The President saw the country as gradually coming to the view that such competition, particularly that between parallel lines, should be eliminated if the rates were the same and the services comparable.

Mr. President, in the present case there is not even competition between parallel lines. This would be competition on the same line, on the same run. It would be competition, Mr. President, where the services are not comparable, because Pan American will be and is in a position to render an infinitely better and faster and more economical service than the American Export Air Lines.

The net result of the thing is that Pan American, in the face of this subsidized competition, obviously is going to be tested by a public yardstick, publicly funded, like the case of the Seward, Alaska, Electric Co., where with 950 people to serve, 2 utilities cannot operate, and the public plant with public funds will absorb the private plant.

So, Mr. President, in the face of competition, if you choose, with the United States Treasury—and that is the kind of competition that Pan American will have to face—the air line will fight and struggle; but eventually it will be marked down, its properties depreciated below the true value of the line and its holdings, and the line will finally succumb.

Mr. President, I wonder if by any chance the same type of mind and the

same interests who established that public utility in Seward, Alaska, have been motivated in this present instance to seek ultimately that very end? There has been no discussion of it, to be sure. There is no evidence in the record of it, but one cannot but wonder about it, when one sees brought forward this common yardstick we hear talked of so much, by which public funds are utilized to test private operations, to compete with private business, and ultimately result in first reducing private ownership and finally eliminating it entirely. If there be any such purpose, or even the possible danger of such an ultimate result, Mr. President, we ought not to lend our aid to any such effort. I submit, Mr. President, that the amendment should be defeated.

I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Norris
Aiken	George	Nye
Andrews	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Glass	Pepper
Eall	Green	Radcliffe
Bankhead	Guffy	Reynolds
Barkley	Gurney	Russell
Bilbo	Hatch	Schwartz
Bone	Hayden	Shipstead
Brooks	Herring	Smathers
Brown	Hill	Smith
Eulow	Holman	Spencer
Bunker	Hughes	Stewart
Burton	Johnson, Calif.	Taft
Butler	Kilgore	Thomas, Idaho
Byrd	La Follette	Thomas, Okla.
Byrnes	Langer	Tobey
Capper	Lee	Truman
Caraway	Lodge	Tunnell
Chandler	Lucas	Tydings
Chavez	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Walgren
Connally	Maloney	Walsh
Danaher	Mead	White
Davis	Murdoch	Wiley
Downey	Murray	Willis

The PRESIDING OFFICER (Mr. STEWART in the chair). Eighty-four Senators have answered to their names. A quorum is present.

Mr. HAYDEN. Mr. President, I desire to submit a unanimous-consent request, which is that no Senator shall speak more than once or longer than 15 minutes on the pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. TYDINGS. Mr. President, do I correctly understand that any Senator who has already spoken may speak once more?

Mr. HAYDEN. Certainly.

Mr. TYDINGS. Not longer than 15 minutes?

Mr. HAYDEN. Not longer than 15 minutes.

Mr. TYDINGS. I have no objection if other Senators who desire to speak have no objection.

Mr. AUSTIN. Mr. President, so far as I can ascertain, such an agreement would be satisfactory to the minority, and to those Senators who, I know, wish to address the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. NYE. Mr. President, this is most definitely not a contest for or against monopoly. However much effort may be expended to make it appear that the amendment of the Appropriations Committee is intended to break up a monopoly, the truth, nevertheless, remains that if the question of monopoly was ever involved, it has been thoroughly neutralized.

For 4 years the officials of American Export Lines, which now argues that Pan American Airways has a monopoly in air transportation across the Atlantic, have been striving with might and main to accomplish legislation that would give American Export Lines a monopoly—not only a continuation of the monopoly it now enjoys in oceangoing commerce but a monopoly as well on air transportation.

I wish to speak for not more than 3 or 4 minutes upon this move—which I cannot look upon as being other than a grab—which would make the United States Government, if the amendment should prevail, pay for a given service more than three times as much as it needs to pay to obtain the same service by authorizing additional trips by the existing carrier.

The proposal recommended by the Appropriations Committee would not save any money. Indeed, it would cost the Government money. It would increase the cost that must be paid by the Government for individual trips across the Atlantic. It would increase the expense to the Government to the tune of approximately \$1,000,000 a year for a service that is counted essential, but a service that can be had for less than a third of the amount called for by the pending proposal.

This proposal would not aid defense in the slightest degree. It would only contribute to inefficiency and perhaps deficits. It would not improve service. Rather it would threaten materially to weaken the service that is being accorded. I am sure it must be admitted that one strong company can do a much more serviceable job than can two weak companies.

Coming back to the question of monopoly, I insist that to grant this contract to American Export Lines would not in any way end monopoly but would contribute in the end to the building of a greater monopoly than now exists.

It has been argued, and I think pretty definitely agreed, that American Export Lines, if it should win this contract, would be privileged to take the profits accruing from its operations as a water carrier and use them to cover any deficit which might be incurred by carrying the mail in competition with Pan American Airways.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. HAYDEN. I am very much interested in the last statement of the Senator, because my understanding is exactly the contrary. While the Maritime Commission allowed the shipping company to use certain of its assets in financing the air line, the idea was that

the money was to be returned and that the shipping company would not take any of its profits and apply them to the air line. I do not think there is anything in the Record to that effect.

Mr. NYE. I am speaking only from what I heard in the debate on the floor of the Senate yesterday afternoon. I did not hear refuted the argument that American Export Lines would be privileged to draw from its surpluses as a water carrier to meet its deficits—if there should be deficits—in the operation of the air carrier.

Mr. HAYDEN. I am sure the Senator can find nothing in the printed record to justify that statement.

Mr. NYE. I must of necessity plead that the Senator may be correct; but I was basing my conclusions upon the argument to which I listened in the debate yesterday afternoon.

American Export Lines has striven with might and main to make it appear that its cause is that of breaking up a monopoly. Four years ago Mr. Slater, executive vice president of American Export Lines, was appearing before a congressional committee pleading that the water carriers across the Atlantic be given the first right in the matter of carrying mail by air over that same body of water. They wanted, argued for, and pleaded for a complete monopoly.

No one can convince me that Export Lines is to be content with having one trip a week across the Atlantic. It will not be content until it can have it all; and when it has all the air-carrying rights between New York and Portugal it will have a 100 percent monopoly on all carrying facilities across the Atlantic.

Mr. President, when times again are normal—as I expect they will be—and Pan American Airways is returned to its original route, I shall be the last to object to the institution of other services which would afford competition in trans-Atlantic service; but to parallel the competition, to run over the same identical route with two lines, is waste, and is squandering of the first water, with resulting injury to the service, to the public, and to the operators themselves.

With respect to the question of monopoly it is argued that Pan American Airways has a monopoly in carrying the mail across the Atlantic today. To some extent that is true; but it is also true that every air-mail carrier in the United States has a complete monopoly on the line upon which it operates, with never the need to compete against a competitor who is offering to bid.

There is not any competition there. We afford subsidies as a government. As has so well been said by others, we afford a subsidy because it is the only manner by which we can get a service which we want and which we need.

But having that service, why we should allow an existing company to buy a second company and why we should reach out and subsidize a second company is beyond my comprehension. I insist, Mr. President, that if the question of monopoly is involved here at all it is completely neutralized. Now it is only a question of

one company's wanting a monopoly that another company has, but unprepared to take it for as little cost to the Government as that for which the present operating company is furnishing the service.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. HOLMAN. I desire to revert to the statement made by the Senator from North Dakota, as I understood it, wherein the Senator from North Dakota said that the resources of the steamship company, for instance, may be available as resources of the air-line company operated as a subsidiary to the steamship company. Did I correctly understand the statement of the Senator from North Dakota?

Mr. NYE. Yes. Yesterday, on the floor of the Senate, that statement was made, and I did not hear it refuted; but today, the Senator from Arizona makes the point that under the law the carrier could not draw from its water-commerce profits to pay any deficit that might be incurred because of its air-transportation operations.

Mr. HOLMAN. I desire merely to make the observation that the same individuals own the same companies. The companies have stockholders in common. I know that from my manufacturing business I draw funds to make up the deficits of my farming business.

Mr. NYE. I should like very much to have the Senator from Arizona expand upon and make clearer the point of why the Export Line could not use all its waterway-operations profits to meet any deficit that might be encountered in its aviation experiments.

Mr. HAYDEN. If the Senator will recall the testimony at the committee hearings, Admiral Land testified that when the steamship company proposed to put money into the air line, and submitted the matter to the Maritime Commission, it was denied that privilege, the Commission ruling that the steamship company could not use for that purpose the fund that it set aside. Then the way the steamship company handled the matter was that it created a new company, and made a loan from its surplus funds to the new company—only a loan—with the distinct understanding on the part of the Maritime Commission that the loan must be repaid. The testimony is further to the effect that it is proposed that as soon as this air line gets into such a position that it has a sound financial basis it will sell stock to the public and with the proceeds will retire its obligations to the shipping company. That is all in the record.

Mr. NYE. Then it comes down to this, as I take it: If Lehman Bros., carrying the mail by air across the Atlantic, encounter a deficit and if Lehman Bros. enjoy a profit by carrying commerce across the ocean in ships, there is not anything, is there, to prevent Lehman Bros. from using the profits in one operation to cover the deficit in the other?

Mr. HAYDEN. Oh, yes; they are totally separate and distinct agencies, one

regulated by the Maritime Commission and the other regulated by the Civil Aeronautics Board.

Mr. NYE. But both of them owned by the same, identical operator.

Mr. HAYDEN. Oh, no; not at all. So far as Lehman Bros. are concerned—to discuss them briefly—they do not own either one of these organizations.

Mr. NYE. Lehman Bros. rather thoroughly control them, do they not?

Mr. HAYDEN. Oh, no.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. TYDINGS. Mr. Slater, executive vice president of the American Export Lines, testified that the American Export Lines completely owned American Export Air Lines.

Mr. HAYDEN. Oh, no; he did not testify to that. The testimony will be found to be that 70 percent of the stock of the air lines is controlled by the steamship company.

Mr. NYE. Would not 70 percent be rather controlling?

Mr. HAYDEN. I am not questioning that, but I am attempting to say that Admiral Land justified what was done by stating that he insisted that the transaction should be a separate one, kept clear on the books, and that no cash belonging to the steamship company could be paid over directly to the air lines; and the further testimony is that as soon as the air company can be financed, as soon as it can offer its stock to the public, the receipts from the sale of stock will be used to pay off whatever they owe the steamship company.

Mr. NYE. The Senator from Arizona is not insisting that the actual ownership of the steamship line differs materially from the ownership of the aviation line, is he?

Mr. HAYDEN. Only to the extent of 30 percent; but I am insisting that the board of directors of the steamship company cannot meet and vote steamship-company money to pay a deficit incurred by the air company. They cannot do that.

Mr. NYE. May I inquire of the Senator from Maryland (Mr. TYDINGS) regarding the ownership and directorate of the two companies? Are they the same?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. McCARRAN. In reply to the question just asked by the Senator from North Dakota, let me state that all except two members of the board of directors of the two companies are the same.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. NYE. The Senator from Nevada has answered the question.

Mr. McCARRAN. In each instance the board of directors is the same with the exception of two members.

If the Senator from North Dakota wishes to yield his time, perhaps I may proceed.

Mr. NYE. I will yield the floor to the Senator from Nevada, but first of all let me say that I am back to where I began, and am quite convinced that the power

will be with the Export Line to use its profits from operations as an ocean carrier to cover any deficits it encounters as an air carrier.

Mr. McCARRAN. Mr. President, addressing myself to the subject, I answer the Senator from North Dakota in the affirmative. I desire to read from Admiral Land's letter, which is contained in the minority report under date of March 14, 1940. On page 7 Admiral Land's letter read as follows:

The amount which has been so invested by American Export in the notes of the airways subsidiary, namely, \$1,200,000, is less than the company's unencumbered equity in the special reserve fund.

In other words, of the fund which, in keeping with the law, is laid away by the steamship company, they were entitled to have one-half. They did take one-half of that money, and invested it in the notes of the subsidiary company. In other words, Lehman Bros., the owners of the Export shipping line, borrowed from Lehman Bros., as the owners of the Export Air Lines, and put back into the Export shipping line the notes of Lehman Bros. It is a transaction between two boards consisting of the same members, both of which are controlled and owned—now 70 percent, but at that time 100 percent—by Lehman Bros.

It is useless to beat around the bush in discussing this question. To face the facts is very simple. It seems to me that much has been made out of it that was not necessary to bring into the picture at all. If I may review the whole situation as I heard it as a member of the committee and as I heard it on the floor of the Senate—and I shall be very brief—first of all, Congress in enacting the Civil Aeronautics Authority law had in mind the development and promotion of civil aviation in America in order that we might develop our own lines here and at the same time develop lines that would reach abroad into the ports of the world, thus to encourage commerce by air at home and abroad. With that in mind, it was specifically written in no uncertain terms and in no uncertain language into the civil aeronautics bill as it passed Congress that one form of carrier could not acquire an air line; that is, a surface carrier could not acquire control of an air carrier. The object of that was to prevent the railroads smothering the air lines and to prevent the shipping lines absorbing the air lines and smothering air commerce. That was one of the objects; indeed, it was the main object, the principal object; it was a worthy effort in the right direction, and, in my judgment, it has done much to promote commercial aviation in the United States. Not only that, but it has promoted commercial aviation from this country to foreign countries.

Permit me to illustrate. Great Britain at one time had three lines to this country. She found that it was a losing venture, and so the three lines were merged into one. Today only one line proposes to come from Great Britain, and it is ready to fly from there as soon as it can get the opportunity to fly with any degree of safety. At one time France had two lines coming to this country. It was found to be a losing enterprise, and so

the two lines were merged into one, and today French ships are ready to fly as soon as the danger point is over so that they may fly with any degree of safety. More than that, the State Department, in my judgment, will not succeed in getting base privileges in Portugal unless, in turn, Portugal is permitted to operate a line from her territory to the United States.

Let me go a little further. Japan had a very serious experience along the same line. She put out two or three air lines operating to foreign countries, but she found them to be an economic failure, and she merged those lines into one so as to make a success of it. If this amendment shall be adopted, if the Export Lines—and I do not care by what name the organization is called—is permitted to fly in competition with the line that is now flying, as soon as the present war is over, the British line, which is now ready to fly; the French line, which is now ready to fly; the Portuguese line, which will be ready to fly; the Dutch line, which will be ready to fly; and the Italian line, which will be ready to fly, will all be flying in competition with the two air lines of America, which will be flying in competition with each other. Economically it is unsound; economically it is wrong; and that is what Congress realized when, in writing the Civil Aeronautics Act, it specifically provided, among other things, that a shipping line—I use shipping line as an example, although the terms of the law did not embrace shipping lines any more than any other common carrier—could not acquire control of air mail unless by special permission of the Civil Aeronautics Authority under certain conditions.

Let me go a little further.

Mr. WHITE. Mr. President, will the Senator yield there?

Mr. McCARRAN. I yield.

Mr. WHITE. Is it not also probably true that, when normal conditions are restored, British Imperial Airways will service the whole eastern Mediterranean rather than the two American companies which are now seeking to reach the western Mediterranean?

Mr. McCARRAN. I think that is entirely true.

Let me go a little further in relation to the economic side of the question. If this amendment shall prevail and if the Civil Aeronautics Authority, as appears in this case, shall prevail, then the railroads of America will be able to take over the airlines of this country, and the moment they establish air navigation America will receive one of its most severe blows, because competition in the air should remain in the air and competition on the surface should remain on the surface. That is the story as it comes to us. It seems to me to be so simple, so short, so decisive that it is not necessary to go into all the intricacies of the case.

I have heard it said that the United States has paid to Pan American \$90,000,000. I take it that is about correct; in over 13 years it has paid Pan American \$90,000,000. But what has the United States Government acquired for those \$90,000,000? It has acquired air bases all over the world, the finest which

have yet been produced or will be produced for some time; all constructed by the invested capital of the Pan American Airlines. Today air lines extend to South America, across the Andes, and upon the west coast of South America; today air lines extend from San Francisco Bay to Hawaii, the Philippines, Guam, Australia, and the Orient as well. In every instance we have landing fields which have been built by private capital which has been encouraged by the \$90,000,000 which have been paid by the Government.

In addition to that, the Government has achieved a service that cannot be put under value, for we have put the American flag all over the world, and we have brought to America more good will from foreign countries, growing out of our flag being carried by air, than has been brought by any one other agency.

Mr. AUSTIN. Mr. President, will the Senator yield for a brief question?

Mr. McCARRAN. Yes.

Mr. AUSTIN. I want to ask the question in connection with the Senator's remark, in which I concur. Considering the question of what the United States received for the money it expended, we must remember that air routes cost money, and are as tangible as are railroads. Is not that true?

Mr. McCARRAN. That is true, of course.

Mr. President, just one more thought along that line. It took courage to survey the North Atlantic. I hold no brief for the Pan American; I hold no brief for either of the companies named in this controversy; it would not make any difference to me what their names were nor who controlled them; but Pan American surveyed the North Atlantic at a time when it was regarded by the finest aviation experts in the world that the North Atlantic would prove a very difficult problem in the way of aviation, and, indeed, it has proven a difficult problem, so much so that today in place of flying to Lisbon and back to New York, the planes of the company returning from Lisbon are flying across to Africa and then back by way of South America, so as to go with the wind, because air currents are one of the great problems on the North Atlantic route. It has required engineering extending over 10 or 15 years to accomplish what Pan American has accomplished.

We did not hear of any competition in that engineering field; we did not hear of any competition when they first sought to fly across the North Atlantic; nobody wanted to go into that field then, because it was regarded as a hazardous field; there would be great loss of property, loss of money, and, perhaps, loss of life; but, be it said to the credit of Pan American, as I would say it to the credit of anyone else, the loss of life has been nil in that most adventurous field of all the fields of aviation, namely, the flight from American ports to Lisbon.

Mr. NYE. Mr. President, will the Senator yield at that point?

Mr. McCARRAN. I yield.

Mr. NYE. Is the Senator aware of the fact that when Export Lines undertook to establish oceanic operations, they were without the talent in their organi-

zation that would let them go out and conduct the kind of surveys which were equivalent to those afforded by their competitors, and that Export Lines had to borrow talent from the United States Navy in order to do that surveying?

Mr. McCARRAN. I have heard that statement, but I would not say it is true. However, the route had been surveyed, the engineering and meteorological work had been done; the Export Lines had the advantage of all the study that had been made by those who pioneered that route, so they could go forward with a great deal more assurance of being successful because someone else had been successful over that line.

Mr. President, let us consider the question of monopoly for a moment. Today the Export Lines have a monopoly to carry by water from American ports to Mediterranean ports and to Lisbon. There is no question about their monopoly. That monopoly has been granted by the spirit and principle of our law. The Maritime Commission granted them that shipping right from American ports to Mediterranean ports and to Lisbon. Now, to show how well fixed that monopoly is and how jealous Export Lines is of that monopoly, at a time of great emergency, when the European war broke out and refugees by the hundreds of thousands were seeking ports from which they could get away from European countries and come to a place of safety and haven in America, they went to Mediterranean ports and there the American Export Lines found itself without sufficient ships to carry the refugees from Mediterranean ports to American ports.

The United States Lines—another subsidized line, if you please, but not having the right, under the Shipping Board, to sail into Mediterranean ports—sent its ships into those ports to bring away the refugees. One would imagine that under such circumstances there would be no come-back to the American Export Lines; but, lo and behold, they not only demanded that the shipping should be limited, but they exacted \$400,000 from the United States Lines. Four hundred thousand dollars was demanded and was paid as a bonus by the United States Lines to the American Export Lines. It was not gratuitously paid; it was demanded.

Talk about monopoly. If that is not a monopoly, I do not know what it is.

The concern which holds that shipping monopoly into Lisbon is subsidized, if you want to call it subsidy, by receiving pay for carrying the mails; and it has the exclusive right to carry the mails from the United States to Lisbon by water. Now it seeks to go into another line of transportation, one in which it has never before engaged. It seeks to do that against the spirit of the law and the letter of the law of the Civil Aeronautics Authority, when that Authority said that no agency having control of surface transportation should control an air-transportation line. Notwithstanding that, the American Export Lines now proposes to destroy what has been set up by the millions paid by the Treasury of the

United States to the Pan American Airways.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The time of the Senator from Nevada has expired.

Mr. ADAMS. Mr. President, it happened to be my duty to serve twice on the Appropriations Committee when this matter was under consideration—on the deficiency subcommittee in a preceding session of Congress, and on the full committee during the present session. Having voted in each instance against the additional air-mail line after carefully listening to and reading the testimony, I wish simply to add a word as to my own reasons.

Mr. President, I am not interested in many things that have been said as to stock ownership and organization and personnel in these various lines. I am not concerned with their other businesses, with their steamship businesses or with their other air-mail businesses. We are dealing with one thing only, and that is a provision for an appropriation to the Post Office Department in the post office bill. We are seeking to add to the bill a large sum of money for postal purposes. The only question involved is whether we shall add this amount to the post office appropriations. It is not a proposed addition to a national-defense item; it is not a proposed addition to a commercial item; it is not a proposed addition to a maritime item; but it is strictly and solely a question of the addition of a sum of money, amounting to about a million and a quarter dollars, to the expenditures of the Post Office Department.

I am opposing the appropriation for the specific reason that the addition of this amount of money to the expenditures of the Post Office Department will not result in carrying in the trans-Atlantic mails one additional ounce of mail. In other words, the existing services are and have been adequate to carry all the mail which has been offered. The average amount of mail carried is about 3,000 pounds. The ships which are now flying have a capacity of some 14,000 pounds. I think only at one time, during a December pre-Christmas rush, did they ever approach their mail-carrying capacity.

The controversy, as I have seen it before the committee and on the floor, is one between two private corporations, one seeking to hold and one seeking to get a subsidy from the United States Government. If the payment of the additional subsidy were necessary for an adequate trans-Atlantic air-mail service, I should not be objecting; but I am objecting because there is to be imposed upon the United States Government the expenditure of a million and a quarter dollars which will go to an additional air-mail transport line without adding to the mail service of the United States Government. I think we have no right to go outside that phase in this particular bill and at this particular time; or, at least, that is the consideration that influences me.

I happen to be among those who are tremendously disturbed, perhaps more than many others, over our expenses, over our debts, over our deficits; and an in-

crease which does not bring with it a commensurate betterment in the public service I think should be postponed.

I am not concerned with the argument of monopolies or of competition, but solely with the one element of paying out money for the benefit of a group without compensatory benefits to the Government. I think everyone, whether a private individual or a Government official, who is interested in a matter pending before Congress, has a perfect right to express to the Members of the Senate his views. I am always glad to get information. I am not so glad to be the object of efforts to persuade me to do something because of reasons other than the public welfare. During my experience in the Senate I think I know of only two instances in which so many persons, public and private, have concerned themselves with an amendment or a bill, as in this case. I suppose that activity indicates tremendous interest in the public service. I am willing to accept it upon that basis; but the extent to which men outside of Congress, in public life and in private life, have taken a great interest in this appropriation item, has been quite remarkable.

I merely say that I suppose that is an indication of a revival of interest in legislation; but it is a very definite fact. It so happens—and I think there is no connection between the two things; it is merely a coincidence—that the controversy involves the financial welfare of two private corporations; and their agents and their representatives have been very faithful in presenting the cases of their respective employers. I wonder, of course, about this great effort.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ADAMS. Always, with the utmost pleasure.

Mr. O'MAHONEY. It indicates, as I think the Senator has said, a very deep and growing interest in public affairs.

Mr. ADAMS. I want to draw that inference. Of course, there are several kinds of interest. I will say both interest and principle. [Laughter.]

Mr. O'MAHONEY. Principally interest upon principal. I have no doubt, is what is being exhibited here.

Mr. ADAMS. Yes.

Mr. O'MAHONEY. Moreover, I assume from what the Senator has said that he does not believe that this widespread activity of private and public officials if it may be so, is stimulated by any particular desire to consider the elements of monopoly and competition. Are they terrifically involved in this question of interest upon principal to which the Senator has alluded?

Mr. ADAMS. As I have said, I have been somewhat amazed. It is the first time in some years when any of those interested have paid me the compliment to call me up or to come to see me in behalf of legislation. I have usually been regarded as somewhat of an outlaw, one who went his own way, the feeling being, perhaps, that it was useless to talk to me; but I have been complimented in this matter by a couple of instances—as I have said, I appreciate the compliment—in order that my own darkness might be illu-

minated, because I had gone through this record only twice. [Laughter.]

Mr. O'MAHONEY. Mr. President, if I may interrupt the Senator again, I personally was telephoned from the Pacific coast and from the Atlantic coast by individuals who I knew had no knowledge whatsoever of the facts which were presented to the Committee on Appropriations, considering this matter, or to the Civil Aeronautics Authority, which was considering the issuance of the certificate of convenience and necessity in the first instance. Thus from the Atlantic to the Pacific Ocean the interest was widespread—interest in interest upon principal. [Laughter.]

Mr. ADAMS. My curiosity was aroused as to why people should exercise so much activity about this matter. I know that some of them who spoke to me, as little as I knew about it, knew less about it than I did. They did not call on me to ask for information; they called on me to tell me, and I know that other Members of the Senate have been similarly importuned; I do not say "honored." In my case I accept it as an honor to be enlightened. Some other Members of the Senate were importuned.

One other thing, Mr. President, going back again to what I might call the sordid line, perhaps: Some of my colleagues know that at least the second greatest danger which confronts our country, next to its international hazard, is the internal financial hazard. Some of us are apprehensive that recklessness with the public money leads to catastrophe, and some of us are uneasy lest we are closer to the point of financial catastrophe than is believed. I do not find a betterment in the mail service through this proposed subsidy. Mind you, Mr. President, we are not paying the trans-Atlantic air carriers on a poundage basis; we pay them so much a trip. Then, after they reach a certain point, 1,600 pounds, we begin to pay them \$4 a pound.

With their passenger loads, there have been trips which have netted them as much as \$40,000. I have heard some speak about their losing money. I cannot figure that they are losing money. The Pan American started with \$29,000 a trip. After the second trip it was averaged down until it was \$21,000 a trip. As I understand—in fact, it is in the record—they now offer the extra weekly service for \$9,000, and it is now proposed that we pay \$29,000 to the company which seeks the competitive right in preference to getting similar service for \$9,000.

It so happens that perhaps three-fourths of my ancestry came from New England, and this proposal does not fit in with those mental traits which I cannot escape. I am unwilling that the Government should pay \$29,000 for what it can get for \$9,000. I am unwilling to pay a million and a quarter dollars when we are getting no added mail services. Therefore I am forced to vote against—

Mr. O'MAHONEY. Mr. President, will the Senator yield before he commits himself?

Mr. ADAMS. Certainly; I withdraw any commitment.

Mr. O'MAHONEY. The Senator has just spoken again about the comparison between the cost of the first trip of the Pan American and the offer which is held out, as it were, to run an extra trip for \$9,000. I am sure the Senator is well aware that that offer is a conditional offer, that it is not an offer without limit, that it is an offer which is dependent upon two conditions—first, that the emergency continue; and, second, that the Pan American be protected from any competition on the trans-Atlantic airways.

Mr. ADAMS. That is exactly the situation. I am assuming, necessarily, that we are dealing with a continuing emergency, and of course if the amendment shall not be adopted, there will not be the competition; so that as a matter of fact the two conditions will be met, and we will get the service for \$9,000 for which the amendment would force us to pay \$29,000.

Mr. O'MAHONEY. Mr. President, when the emergency is over, as the Senator so aptly said a few days ago, then the Pan American may make its application for a revision of the rates because the conditions of the offer will have changed, the emergency will have passed, and it will be necessary to raise the "ante" to that which was offered in December 1939, namely—

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. ADAMS. Mr. President, one word following what has just been said. I do not differentiate between the two companies, as to character or attitude. I think each of them is trying to get the most it can out of the Government, and I am in favor of dealing with the one from which we can get the most for the least money.

Mr. HAYDEN. Mr. President, I should like to ask whether any Senator desires to address himself to the issue at this time.

Mr. TYDINGS. We can not tell until we know what the Senator from Arizona and some others may say. No one can commit himself in advance of the argument.

Mr. HAYDEN. The inquiry I desired to make was whether there was any Senator who felt himself so burdened with a speech that he would have to relieve himself by addressing the Senate. If not, I shall take the floor. I do not want to take it from anyone else who desires to speak.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, I think the best way to approach this question is to give a brief history of the American Export Lines, organized under the old Shipping Board, and under the control of a man by the name of Herbermann, who, as president and owner of the company, managed the line for a long time.

It will be remembered that the Senator from Tennessee [Mr. McKellar] as chairman of the Senate Committee on Post Offices and Post Roads, made an investigation of ocean-mail contracts, and in the course of that investigation

he discovered that, so far as the American Export Lines was concerned, under its then ownership, Mr. Herbermann had misused the subsidies paid by the Government in a most scandalous manner.

It was developed in the Senate committee hearing that between 1925 and 1931 Mr. Herbermann took out \$1,254,530 in salary advances and expenses and that in the meantime the net loss to the company had been \$375,000. When these matters were brought to the attention of the Shipping Board that agency forced Mr. Herbermann to give up his control of the company and to cease to be its president. Those Senators who know the Senator from Tennessee know he did a thorough job of investigating in that case.

The Senator from Tennessee, for whom I happen to be pinch-hitting today—if he were here I know that he would present this matter in a much better way, and I would be occupying my usual position on the side lines listening to him do it—the Senator from Tennessee, having developed that there had been crookedness in the operations of this company, was of course very much interested when this question came up, since the same company was interested again in an air-mail matter. He wanted to find out all about its present situation, and he started out with a feeling of antagonism toward the company merely because of its name. He knew that it had heretofore, under other management at least, robbed the Government by not having carried out its obligations under the subsidy. But what did he find? He found out that the old Herbermann organization was entirely eliminated; that the present owners, and those who control the company, are operating one of the finest of all the shipping companies under the jurisdiction of the United States Maritime Commission at this time.

That brings me to the statement which has been repeated over and over again that the ownership of the shipping company is vested in Lehman Bros., an investment banking house in New York. Now it is true that when the time came to reorganize that company, a new president having been elected by the name of W. H. Coverdale, as I remember, that he approached various investment houses in New York to refinance the company, and Lehman Bros., an investment banking company, about 1934 became interested in the matter, and they did just what had happened hundreds of times in that depression. Here was a firm in distress that had lost its credit, and someone who had credit stepped in and took over the refinancing. That is what Lehman Bros. at that time did; namely, furnished credit to put this company on its feet. I do not doubt that in putting it on its feet, by reason of the stock they acquired they have made money. There is no question about that. But at the present time they have disposed of their controlling interest, and they do not now control the company.

I wish to make that statement in a positive way in view of the representations made in the minority report as follows:

1. American Export Steamship Lines is controlled by Lehman Bros., investment bankers of New York City.

2. American Export Steamship Lines owns 70 percent of the stock of American Export Air Lines. Its control is absolute, and the two corporations are interlocking. The banking house of Lehman Bros. controls both.

Then again on page 2:

Why should this Government give the American Export Steamship Lines such a monopoly? Or why should it give such subsidies and such a monopoly to Lehman Bros.? It is a strong banking company and has political connections of great influence. But is not this too much, even so?

Now, as to that point of "political connections of great influence," there was a scandalous story spread about Washington here a year ago that Governor Lehman, Herbert Lehman, of New York, was a member of this firm, and that he came to Washington and used his influence with the President of the United States in an effort to have this company helped before the Civil Aeronautics Board. The truth is that Herbert Lehman ceased to be a stockholder in this company when he became lieutenant-governor of New York, 10 or 12 years ago, that he never has at any time, and this is a matter of record, taken any interest in this question whatsoever. And further, the truth is, as is shown by the hearings, that the Lehman Bros.' interest in this company at this time is limited to less than 30 percent. I am talking about the American Export Steamship Co. That is demonstrated by a tabulation appearing on page 164 of the hearings, which shows that Lehman Bros., of No. 1 William Street, own 25 percent of the stock, that the executors of the estate of Arthur Lehman had 3.35 percent, and that the administrator of the estate of Carrie Lehman had 1.46 percent. Only 28 percent—less than 30 percent of the stock of the steamship company belongs to Lehman Bros., the investment banking firm of New York City, and to any member or heir of the Lehman family.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TOBEY. The Senator is conversant doubtless with the method used by corporate management in setting out ownership and capital structure. He knows very well, does he not, the obvious fact, while it may be shown on the records that only 28 percent of the ownership is held by a certain organization, and that the remaining ownership is shown to be held in certain individuals on the record, that the organization may own the stock just the same, the stock being held in the names of brokerage houses and their customers, the organization having the actual control all the time?

Mr. HAYDEN. The Senator has stated exactly what is the true situation in this case. Of these 115,000 shares nominally carried on the books in the name of Lehman Bros., that firm actually owns less than 60,000 shares. The majority of the stock that is carried in their name belongs to people to whose investment busi-

ness they attend. The Senator is simply proving what I am saying.

Mr. TOBEY. So that, in other words, they might control the company, although their name is not on the records.

Mr. HAYDEN. No; they cannot because all the stockholders of record are named in the Senate hearing. Lehman Bros. have less than 30 percent of the stock, and of the 30 percent which they have in their portfolios they actually own less than one-half; they actually own less than 15 percent of the stock of the steamship company.

Mr. TOBEY. I am speaking of actual control of the company. All too often we hear it said that a certain organization does not control a company; that only 30 percent of the stock ownership is in its hands, whereas certain brokerage interests and their customers hold a sufficient amount of stock to insure control in the organization. The public is told that it owns only 30 percent of the stock, and the word goes out that it does not control, when in reality it owns perhaps 99½ percent of the stock, because the stock is in friendly hands.

Mr. HAYDEN. That may be true in some instances, but that is not true in this case.

Mr. TOBEY. Is the Senator sure of that?

Mr. HAYDEN. I am positive, and it is so testified in the record. Let us get that matter straightened out. What is the other side of the picture? The only active member, the head of Lehman Bros., is Mr. Robert Lehman. He is not a director of the American Export Steamship Co. He is not a director of the American Export Air Lines Co. He is a director of Pan American Airways, and Pan American Airways has engaged in no kind of financing at any time in which Lehman Bros. has not participated. Every one of the syndicates that have helped to finance Pan American Airways has included Lehman Bros. as a participating firm. One of the directors of Pan American is the head of Lehman Bros.—Robert Lehman—and the testimony before the committee is that Mr. Robert Lehman is much more interested in Pan American Airways than he is in either of the other companies. I cannot understand why this name—Lehman Bros.—has been dragged into this, unless it was—

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. Is it not a fact that Lehman Bros. own 30 percent, as the Senator has just said, of stock in this company?

Mr. HAYDEN. They do.

Mr. TYDINGS. How much stock do they own in Pan American Airways?

Mr. HAYDEN. They own whatever interest the shipping company has in Pan American.

Mr. TYDINGS. How much? The Senator has been trying to show that Lehman Bros. are more interested in Pan American than they are in the other. What interest have they in Pan American?

Mr. HAYDEN. They have an interest in that they are stockholders in the shipping company.

Mr. TYDINGS. How much are they interested in Pan American?

Mr. HAYDEN. To the extent of 30 percent of the stock of the shipping company.

Mr. TYDINGS. That is the Export Air Lines. I am talking about how much stock Lehman Bros. own in Pan American.

Mr. HAYDEN. I do not know.

Mr. TYDINGS. Then why should the Senator say they are more interested in Pan American, when according to the record they do not own a share of stock in it, whereas they own 30 percent of the stock in the other company?

Mr. HAYDEN. The Senator will remember the witness who appeared before our committee and of whom we inquired as to the attitude of Mr. Robert Lehman, head of—

Mr. TYDINGS. Mr. Robert Lehman is an individual.

Mr. HAYDEN. And a director of Pan American.

Mr. TYDINGS. Mr. Robert Lehman, let me point out to the Senator, is an individual. We are talking about the firm of Lehman Bros., the investment bankers.

Mr. HAYDEN. Who, I say, as investment bankers, participated in all the financing of Pan American.

Mr. TYDINGS. Participating in the financing as a mere broker is different from ownership. There is a very small profit in the one brokerage transaction, but there is a tremendously large profit in ownership in a separate steamship line which made \$6,000,000 last year.

Mr. HAYDEN. They did own a lot of that, but they have sold it, and I am telling the Senator now, that the statement made in the minority report that Lehman Bros. absolutely control the Pan American Steamship Line is not founded on anything in the record.

Mr. TYDINGS. The Senator means American Export Lines.

Mr. HAYDEN. American Export Lines.

Mr. TYDINGS. The Senator keeps saying "Pan American." So far as the record shows, there is no evidence that Lehman Bros. own any stock in Pan American Airways, but there is evidence that Lehman Bros. own 30 percent of the stock in American Export Lines, the steamship line, which in turn owns control of the air line.

Mr. HAYDEN. That is far different from the statement in the minority report that Lehman Bros. control the steamship company. The statement is repeated about five times in the minority report, as though Lehman Bros. were the entire issue in this matter.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TYDINGS. If a concern owns as much as a third of the stock in any company, for all practical purposes it controls that company. That will be found to be true in any big corporation in America. Only a small percentage of the stockholders go to the trouble of sending proxies to the annual meeting at which the officers are elected, and the concern

which has 20, 25, or 30 percent ownership names the president and directors and runs the whole show. That is all that it is necessary to have to control the whole works.

Mr. HAYDEN. The president is not a Lehman. The president is Mr. Coverdale. Mr. Thomas Hitchcock, Jr., is one of the directors and principal stockholders.

Mr. TYDINGS. Mr. Hitchcock is a junior partner in Lehman Bros.

Mr. HAYDEN. Certainly.

Mr. TYDINGS. The Senator did not know that when he read that name, did he?

Mr. HAYDEN. Yes.

Mr. TYDINGS. That only proves my point, does it not?

Mr. HAYDEN. It does not prove the point at all. It proves what I am trying to say. So far as the Lehman family is concerned, I still insist that its name should not be dragged into this debate, as though, as a family, it had done something discreditable.

Mr. TYDINGS. I concede that. It is good business for them. I am not saying that there is anything dishonest about the transaction, because I do not know that there is. However, I do know that if the amendment is adopted the Government will have to pay \$1,000,000 out of pocket which it does not need to spend to obtain the service.

Mr. HAYDEN. We have argued that point until I think all the wheat has been threshed out of the straw.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. It is now my understanding, as a result of the colloquy, that it is a great virtue for a person by the name of Lehman to own stock, much or little, in Pan American, but that it is a tremendous vice for a person by the name of Lehman to own stock, much or little, in American Export Lines.

Mr. HAYDEN. That is the only conclusion I can draw from the five-times mention of the name of Lehman Bros. in the minority report. I cannot draw any other conclusion.

Mr. President, let me conclude my remarks by stating what I tried to make clear in the beginning of this prolonged discussion. There has been a finding by the duly authorized authority appointed by the Congress to look into this matter—that is, the Civil Aeronautics Board—that there is business enough to justify the issuance of a certificate of convenience and necessity to the competing carrier. The certificate would not have been issued if there had not been business enough for both companies. The Civil Aeronautics Board found that situation to exist. It found that the additional service was necessary and issued the certificate.

The Post Office Department has found that the additional service is necessary to expedite the carrying of the mail, and that there is business enough for the additional carrier. It is also of record that the receipts from the air-mail postage will repay and compensate the Government for whatever we have to pay the two companies by way of subsidy. So we

do not have to cry over the taxpayer of the United States in this instance, thank Heaven. In normal times the postal business across the North Atlantic is eight times as great as it that on all the other oceans in the world.

We are now in a wartime period, when people fear to travel on the surface of the sea because of submarines, and more and more of them desire to go by air. It is of record that there is a backlog of passengers in Europe and in the United States ready and anxious to fly any line that can operate. Again, it is of record by the War and Navy Departments that it is in the interest of the national defense that more than one company be engaged in transoceanic flying.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

The question is on agreeing to the committee amendment on page 51, line 7.

Mr. TYDINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	George	Nye
Aiken	Gerry	O'Mahoney
Andrews	Gillette	Overton
Austin	Glass	Pepper
Bailey	Green	Radcliffe
Ball	Guffey	Reynolds
Bankhead	Gurney	Schwartz
Bilbo	Hayden	Shipstead
Bone	Herring	Smathers
Brooks	Hill	Smith
Brown	Holman	Spencer
Bulow	Hughes	Stewart
Bunker	Johnson, Calif.	Taft
Burton	Kilgore	Thomas, Idaho
Butler	La Follette	Thomas, Okla.
Byrd	Langer	Tobey
Byrnes	Lee	Truman
Capper	Lodge	Tunnell
Caraway	Lucas	Tydings
Chandler	McCarran	Vandenberg
Chavez	McFarland	Van Nuys
Clark, Idaho	McNary	Walgren
Clark, Mo.	Maloney	Walsh
Connally	Mead	White
Danaher	Murdock	Wiley
Davis	Murray	Willis
Ellender	Norris	

The PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment on page 51, line 7.

Mr. VANDENBERG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TYDINGS. Mr. President, let me inquire if the parliamentary situation is not as follows: Those who vote "yea" will vote to appropriate a sum of money which will permit the new air company to compete with Pan American. Those who vote "nay" will vote, of course, for the existing condition.

The PRESIDING OFFICER. It is the understanding of the Chair that by the adoption of the committee amendment the appropriation for transportation of foreign air mail would be increased by the sum of \$1,216,000.

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WHITE (when Mr. BREWSTER's name was called). I announce the necessary absence of my colleague the junior Senator from Maine [Mr. BREWSTER].

I am authorized to say that if he were present, he would vote for the committee amendment.

Mr. HOLMAN (when his name was called). On this question I have a pair with the majority leader, the Senator from Kentucky [Mr. BARKLEY]. It is my understanding that if he were present, he would vote "yea." If I were at liberty to vote, I should vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Mississippi [Mr. HARRISON], the Senator from Tennessee [Mr. McKELLAR], and the Senator from New York [Mr. WAGNER] are absent from the Senate because of illness. The Senator from Kentucky [Mr. BARKLEY], the Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Montana [Mr. WHEELER], the Senator from New Mexico [Mr. HATCH], and the Senator from Georgia [Mr. RUSSELL] are unavoidably detained. The Senator from Utah [Mr. THOMAS] is addressing the National Association of University Extension Directors, in Oklahoma City, and therefore is necessarily absent. The Senator from Mississippi [Mr. HARRISON] is paired with the Senator from Montana [Mr. WHEELER]. I am advised that if present and voting, the Senator from Mississippi would vote "yea," and the Senator from Montana would vote "nay."

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] is unavoidably absent. He is paired with the Senator from Tennessee [Mr. McKELLAR]. If present, the Senator from New Jersey would vote "nay," and the Senator from Tennessee would vote "yea." The Senator from Maine [Mr. BREWSTER], of whose absence an announcement already has been made, is paired with the Senator from Colorado [Mr. JOHNSON]. If present, the Senator from Maine would vote "yea," and the Senator from Colorado would vote "nay." The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Utah [Mr. THOMAS]. If present, the Senator from New Hampshire would vote "nay," and the Senator from Utah would vote "yea." The Senator from Kansas [Mr. REED], who is necessarily absent, has a general pair with the Senator from New Mexico [Mr. HATCH]. If present, the Senator from Kansas would vote "nay."

The result was announced—yeas 35, nays 44, as follows:

YEAS—35

Bankhead	Guffey	Murray
Bilbo	Hayden	O'Mahoney
Eone	Hill	Overton
Brown	Hughes	Schwartz
Burton	Kilgore	Spencer
Byrnes	Langer	Stewart
Chavez	Lee	Thomas, Okla.
Connally	McFarland	Truman
Davis	McNary	Tunnell
Gillette	Ma'oney	Van Nuys
Glass	Mead	Wailgren
Green	Murdock	

NAYS—44

Adams	Bulow	Clark, Idaho
Aiken	Bunker	Clark, Mo.
Andrews	Butler	Danaher
Austin	Byrd	Ellender
Bailey	Capper	George
Ball	Caraway	Gerry
Brooks	Chandler	Gurney

Herring	Pepper	Tobey
Johnson, Calif.	Radcliffe	Tydings
La Follette	Reynolds	Vandenberg
Lodge	Shipstead	Walsh
Lucas	Smathers	White
McCarran	Smith	Willey
Norris	Taft	Willis
Nye	Thomas, Idaho	

NOT VOTING—15

Barbour	Harrison	Reed
Barkley	Hatch	Russell
Brewster	Holman	Thomas, Utah
Bridges	Johnson, Colo.	Wagner
Downey	McKellar	Wheeler

So the amendment of the committee was rejected.

Mr. CLARK of Missouri. I move to reconsider the vote which was just taken.

Mr. TYDINGS. I move that the motion of the Senator from Missouri be laid on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Maryland to lay on the table the motion of the Senator from Missouri.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The bill is still before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill, H. R. 3205, was read the third time, and passed.

Mr. GLASS. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. TYDINGS, Mr. McCARRAN, Mr. HAYDEN, Mr. BAILEY, Mr. LODGE, and Mr. WHITE conferees on the part of the Senate.

WIDOW OF ARTIS J. CHITTY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 991) for the relief of the widow of Artis J. Chitty, which was, on page 1, line 7, to strike out "\$10,000" and insert "\$5,000."

Mr. BROWN. I move that the Senate disagree to the House amendment, request a conference with the House, thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BROWN, Mr. ELLENDER, and Mr. CAPPER conferees on the part of the Senate.

JOSEPH DOLAK AND ANNA DOLAK

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 392) for the relief of Joseph Dolak and Anna Dolak, father and mother of Gene Dolak, deceased, which were, on page 1, line 5, to strike out "\$1,000" and insert "\$2,500"; on page 1, line 6, to strike out "Joseph Dolak"; on page 1, line 7, to strike out "father and"; on page 1, line 7, after "mother", to insert "and sole surviving parent"; and to amend the title so as to read: "An act for the relief of Anna Dolak, mother and sole surviving parent of Gene Dolak, deceased."

Mr. GILLETTE. I move that the Senate concur in the House amendments. The motion was agreed to.

RALPH C. HARDY AND OTHERS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 941) for the relief of Ralph C. Hardy, William W. Addis, C. H. Seaman, J. T. Polk, and E. F. Goudelock, which was, on page 1, line 9, to strike out "\$271.90" and insert "\$315.80."

Mr. CHANDLER. I move that the Senate concur in the House amendment. The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McGill, one of its clerks, announced that the House insisted upon its amendment to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FULMER, Mr. DOXEY, Mr. FLANNAGAN, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 216. An act for the relief of A. B. Codrington;
S. 248. An act for the relief of John G. Hunter;
S. 309. An act for the relief of Dr. Morris B. Toubman;
S. 376. An act providing for the advancement on the retired list of certain officers of the line of the United States Navy;
S. 436. An act for the relief of Maximo Abrego;
S. 514. An act for the relief of R. Stern;
S. 788. An act for the relief of Noland Blass;
S. 897. An act for the relief of G. F. Allen, chief disbursing officer of the Treasury Department, and Bernard Paulson, special disbursing officer of the State Department; and
S. 1104. An act for the relief of William A. Wheeler.

CALL OF THE ROLL

Mr. DANAHY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark, Mo.	Lodge
Aiken	Connally	Lucas
Andrews	Danaher	McCarran
Austin	Davis	McFarland
Bailey	Ellender	McNary
Ball	George	Maloney
Bankhead	Gerry	Mead
Bilbo	Gillette	Murdock
Bone	Glass	Murray
Brooks	Green	Norris
Brown	Guffey	Nye
Bulow	Gurney	O'Mahoney
Bunker	Hayden	Overton
Burton	Herring	Pepper
Butler	Hill	Radcliffe
Byrd	Holman	Reynolds
Byrnes	Hughes	Schwartz
Capper	Johnson, Calif.	Shipstead
Caraway	Kilgore	Smathers
Chandler	La Follette	Smith
Chavez	Langer	Spencer
Clark, Idaho	Lee	Stewart

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trees in Somis the world has forgotten all about them long ago. Those whom they fought for and died for have not only forgotten them but never even thanked them. This is the bitter truth. And no man should fear the truth, no matter how bitter it be.

The supreme egotism and arrogance that sent these boys and others like them to death again is in motion. There is great danger that the error of the first World War is to be repeated. Throughout America there is the belief that our Nation again will be involved, although fully 90 percent of the population is opposed to it.

How helpless we appear to be as a people. We don't want to engage in this war, but feel that we shall be forced into it. The question naturally arises, Who is it that can again send our young men to the slaughter regardless of how the people feel about it? Is this a government of and by the people or a dictatorship? If it be a government of and by the people, why do not the people themselves decide this matter?

There is a large and highly respectable segment of the American people who have contended and still contend that the best foreign policy for our Government to pursue is to stay at home and mind our own business, which is exactly what we have not done and are not doing. The advice of George Washington to avoid foreign entanglements has been thrown to the winds. We are entangled up to our necks.

When the first World War ended Winston Churchill, now Prime Minister of Great Britain, said that if America had kept out the war would have ended a year sooner and a million lives would have been saved.

Was not that a fine gesture of contempt? And no word about the money we loaned and will never get back. No word about the 100,000 American boys killed in battle and lying dead in France and Flanders.

We wonder if God ever will give us sense. It is notorious that every nation of Europe without exception regards Americans as nincompoops.

Wise old Will Rogers once declared that America had never lost a war nor won a conference. Think back and consider what a monkey they made out of Woodrow Wilson at the peace table of Versailles. The craziest patchwork of alleged diplomacy was that solemn conclave at which poor, well-meaning Woodrow Wilson was jollied to his face and laughed at behind his back. Those birds over there are old at the game and we are new at it.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 9, 1941, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate, May 8, 1941:

UNITED STATES MARSHAL

James Joseph Gillespie to be United States marshal for the southern district of Iowa.

POSTMASTERS

MASSACHUSETTS

Michael J. Costello, Franklin.
William S. Arnold, Nantasket Beach.
Edward E. Cooney, Northampton.

OKLAHOMA

John E. Gwinn, Butler.
Thomas A. Holland, Cushing.
Rose B. Hayes, McLoud.
Lee Garner, Jr., Red Oak.

WEST VIRGINIA

Jacob Seitz, Jane Lew.
Howard Mahan, Oak Hill.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 8, 1941

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of mercies, teach us to love Thy sacred word: "Thou shalt love the Lord thy God with all thy heart, with all thy soul, with all thy mind, with all thy strength, and thy neighbor as thyself." May the heavenly pages of the Holy Bible, the way of wisdom, the path of learning, the way of the prophets, the apostles, and the way of the saints spread forth from shore to shore. Light up the future years with Thy precepts, quicken and inspire the god-like nature within us with greater zeal, with greater courage, and with deeper assurance. Grant that the evil within us may be diminished and the good accentuated that unity and harmony may prevail in every State and in every home in all our broad land; that the excellency of our ideals, our moral convictions, and our holy faith may come unto the measure of the stature of the fullness of our Lord and Master. O Love that will not let us go, we pray that we may enter into the peace of a truly Christian life wherein stormy words melt into silence, aching hearts are mended, and tearful eyes become springs of hope and promise. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 29. Concurrent resolution acknowledging the felicitations of the Congress of Costa Rica.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 376. An act providing for the advancement on the retired list of certain officers of the line of the United States Navy;

S. 392. An act for the relief of Joseph Dolak and Anna Dolak, father and mother of Gene Dolak, deceased; and

S. 941. An act for the relief of Ralph C. Hardy, William W. Addis, C. H. Seaman, J. T. Folk, and E. F. Goudelock.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3205. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. TYDINGS, Mr. McCARRAN, Mr. HAYDEN, Mr. BAILEY, Mr. LODGE, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 991) entitled "An act for the relief of the widow of the late Artis J. Chitty," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BROWN, Mr. ELLENDER, and Mr. CAPLER to be the conferees on the part of the Senate.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1942

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4183) making appropriations for the fiscal year ending June 30, 1942, for civil functions administered by the War Department, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SNYDER, TERRY, STARNES of Alabama, COLLINS, KERR, MAHON, POWERS, ENGEL, and CASE of South Dakota.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1942

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate, and that the Speaker appoint conferees on the part of the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LUDLOW, O'NEAL, JOHNSON of West Virginia, MAHON, CASEY of Massachusetts, TABER, KEEFE, and RICH.

PUBLIC WORKS MADE NECESSARY BY THE DEFENSE PROGRAM

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered to be printed:

House Resolution 200

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4545, a bill to provide for the acquisition and equipment of public works made necessary by the defense program. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted,

and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. HOUSTON asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, while what I am about to say is by way of anticlimax to the ship-seizure bill we passed yesterday, yet I wish to call the attention of the House to a development that just came to my attention this morning.

Published in last Monday's Washington Post was a news item that the Coast Guard had boarded seven ships of Yugoslavia to determine whether the officers and crews were loyal to the boy King Peter or to the new government of Yugoslavia, the strong inference being that we will seize these ships if the Coast Guard, in the exercise of its solemn judgment, ordains that these sailors are traitors to the King.

This incident strikingly illustrates the extent to which our Government is going in carrying out the high-handed policy of ship seizure. These alien ships, ships of a country with which we are still at peace—and may the Lord grant that we remain at peace—trustingly sail into our ports, expecting to find sanctuary and hospitality and, instead, they find that they have sailed into pirate ports. It was argued in support of the ship-seizure bill that we are justified in confiscating alien property because similar acts have been committed in other countries. In brief, we subscribe to the unmoral thesis that two wrongs make one right. Mr. Speaker, I say that if that is right, then every rule in the copybook is wrong. The enactment of the ship-seizure bill, without the Culkin amendment, is a blot on the honor and integrity of our Government which can never be erased. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an appeal addressed to the German people that a certain group of Germans in this country planned to broadcast to the people in Germany. It is a very fine appeal.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISTRICT OF COLUMBIA BUSINESS

Mr. RANDOLPH. Mr. Speaker, it is very natural that on the days when District of Columbia legislation is considered not a large number of Members are present for the debate on those bills. I say this is natural because usually the legislation considered has to do strictly with the District of Columbia, and many times it deals with subjects that are not of extreme importance to the House as a whole.

However, I call your attention to the fact that on this coming Monday, which is a regular District day, there will be before the House a discussion of the fiscal affairs of the District of Columbia and we will consider the so-called Overton formula, a bill which has passed the Senate of the United States without a dissenting vote and has been approved by the House Committee on the District of Columbia. This bill will be brought here for debate and a vote either up or down. It deals with a matter of extreme importance, the Federal contribution to the District of Columbia. I trust that Members will find it possible to be present. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. SATTERFIELD and Mr. GEHRMANN asked and were given permission to extend their own remarks in the RECORD.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, judging from the scare headlines in the press this morning quoting Mr. Knox about sending our boys to Europe I think it is apropos at this time to again call attention to a statement by President Roosevelt when seeking reelection. I quote the President of the United States in his speech at Boston, October 30, 1940:

While I am talking to the fathers and mothers I give you one more assurance. I have said this before, but I shall say it again and again and again, your boys are not going to be sent into any foreign wars.

Mr. Speaker, this was a solemn pledge given by the President of the United States at a solemn hour on a solemn subject to a solemn class of people, name-

ly the fathers and mothers of this country. A violation of this pledge will do more to destroy democracy in the United States than Hitler's legions, his bombing planes and his boats. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a poem relative to the dedication of Woodrow Wilson's birthplace.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article by Neal L. McGinty, of Monterey.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, I also ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article by Mr. George H. Cabaniss, Jr., of San Francisco.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an editorial from the Times-Herald of today.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an address delivered by the Most Reverend Joseph P. Hurley, Bishop of St. Augustine, Fla., at the Florida State Convention of the National Council of Catholic Women.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. O'BRIEN of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein resolutions on the Great Lakes-St. Lawrence seaway.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

77TH CONGRESS
1ST SESSION

H. R. 3205

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1941

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TREASURY DEPARTMENT**

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1942
7 namely:

8 **OFFICE OF THE SECRETARY**

9 Salaries: Secretary of the Treasury, Under Secretary of
10 the Treasury, Fiscal Assistant Secretary of the Treasury
11 two Assistant Secretaries of the Treasury, and other per-

1 sonal services in the District of Columbia, including the
2 temporary employment of experts, \$290,000: *Provided*,
3 That in expending appropriations or portions of appropria-
4 tions contained in this Act for the payment of personal serv-
5 ices in the District of Columbia in accordance with the Classi-
6 fication Act of 1923, as amended, with the exception of the
7 Assistant Secretaries of the Treasury and the Assistant
8 Postmasters General, the average of the salaries of the total
9 number of persons under any grade in any bureau, office,
10 or other appropriation unit shall not at any time exceed the
11 average of the compensation rates specified for the grade by
12 such Act, as amended, and in grades in which only one posi-
13 tion is allocated the salary of such position shall not exceed
14 the average of the compensation rates for the grade, except
15 that in unusually meritorious cases of one position in a grade
16 advances may be made to rates higher than the average of
17 the compensation rates of the grade, but not more often than
18 once in any fiscal year, and then only to the next higher
19 rate: *Provided further*, That this restriction shall not apply
20 (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service,
21 (2) to require the reduction in salary of any person whose
22 compensation was fixed, as of July 1, 1924, in accordance
23 with the rules of section 6 of such Act, (3) to require the
24 reduction in salary of any person who is transferred from one
25 position to another position in the same or different grade in

1 the same or a different bureau, office, or other appropriation
2 unit, (4) to prevent the payment of a salary under any grade
3 at a rate higher than the maximum rate of the grade when
4 such higher rate is permitted by the Classification Act of
5 1923 as amended, and is specifically authorized by other law,
6 or (5) to reduce the compensation of any person in a grade
7 in which only one position is allocated.

8 Salaries and Expenses, Foreign Owned Property Control:
9 For expenditure under the direction of the Secretary of the
10 Treasury for any purpose in connection with the carrying out
11 of the provisions of section 5 (b) of the Act of October 6,
12 1917 (40 Stat. 411, 415), as amended, and any proclama-
13 tions, orders, or regulations that have been or may be issued
14 thereunder, including personal services (without regard to
15 classification laws), printing, and all other necessary
16 expenses incurred in carrying out instructions issued by
17 the Secretary of the Treasury pursuant to section 5 (b)
18 of the Act of October 6, 1917, as amended, or procla-
19 mations, orders, or regulations issued thereunder, including
20 reimbursement of any other appropriation or other funds of
21 the United States or any agency, instrumentality, territory,
22 or possession thereof, including the Philippine Islands, and
23 reimbursement of any Federal Reserve bank for printing and
24 other expenditures, \$1,250,000.

25 Payments to Federal land banks on account of reductions

1 in interest rate on mortgages: To enable the Secretary of
2 the Treasury to pay each Federal land bank such amount as
3 the Land Bank Commissioner certifies to the Secretary of
4 the Treasury is equal to the amount by which interest pay-
5 ments on mortgages held by such land bank have been re-
6 duced during the fiscal year 1942, and prior thereto, in
7 accordance with the provisions of paragraph "Twelfth" of
8 section 12 of the Federal Farm Loan Act (12 U. S. C.
9 771), as amended, \$26,800,000.

10 Payments to the Federal Farm Mortgage Corporation on
11 account of reductions in interest rate on mortgages: To enable
12 the Secretary of the Treasury to pay to the Federal Farm
13 Mortgage Corporation such amount as the Governor of the
14 Farm Credit Administration certifies to the Secretary of the
15 Treasury is equal to the amount by which interest payments
16 on mortgages held by such Corporation have been reduced
17 during the fiscal year 1942, and prior thereto, in accordance
18 with the provisions of section 32 of the Emergency Farm
19 Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C.
20 1016), as amended, such payments to be made quarterly,
21 beginning as soon as practicable after October 1, 1941,
22 \$9,600,000.

23 DIVISION OF RESEARCH AND STATISTICS

24 Salaries: For personal services in the District of
25 Columbia, \$218,000.

1 OFFICE OF GENERAL COUNSEL

2 Salaries: For the General Counsel and other personal
3 services in the District of Columbia, \$145,000.

4 DIVISION OF PERSONNEL

5 Salaries: For the Chief of the Division, and other per-
6 sonal services in the District of Columbia, \$125,000.

7 OFFICE OF CHIEF CLERK

8 Salaries: For the Chief Clerk and other personal services
9 in the District of Columbia, \$211,500.

10 MISCELLANEOUS AND CONTINGENT EXPENSES, TREASURY

11 DEPARTMENT

12 For miscellaneous and contingent expenses of the Office
13 of the Secretary and the bureaus and offices of the Depart-
14 ment, including operating expenses of the Treasury, Treasury
15 Annex, Auditors', and Liberty Loan Buildings; (1) newspaper
16 clippings, financial journals, purchase (including exchange)
17 of books of reference and lawbooks, technical and scientific
18 books, newspapers, and periodicals, expenses incurred in
19 completing imperfect series, library cards, supplies, and all
20 other necessary expenses connected with the library; not
21 exceeding \$8,000 for traveling expenses, including the pay-
22 ment of actual transportation and subsistence expenses to
23 any person whom the Secretary of the Treasury may from
24 time to time invite to the city of Washington or elsewhere
25 for conference and advisory purposes in furthering the work

1 of the Department; freight, expressage, telegraph and tele-
2 phone service; purchase and exchange of motortrucks, and
3 maintenance and repair of motortrucks and three passenger
4 automobiles (one for the Secretary of the Treasury and two
5 for general use of the Department), all to be used for official
6 purposes only; file holders and cases; fuel, oils, grease, and
7 heating supplies and equipment; gas and electricity for
8 lighting, heating, and power purposes, including material,
9 fixtures, and equipment therefor; purchase, exchange, and
10 repair of typewriters and labor-saving machines and equip-
11 ment and supplies for same; floor covering and repairs
12 thereto, furniture and office equipment, including supplies
13 therefor and repairs thereto; awnings, window shades, and
14 fixtures; cleaning supplies and equipment; drafting equip-
15 ment; flags; hand trucks, ladders; miscellaneous hardware;
16 streetcar fares not exceeding \$750; thermometers; lavatory
17 equipment and supplies; tools and sharpening same; laundry
18 service; laboratory supplies and equipment, removal of rub-
19 bish; postage; and other absolutely necessary articles, sup-
20 plies, and equipment not otherwise provided for; \$333,000:
21 *Provided*, That the appropriations for the Bureau of the
22 Public Debt, Internal Revenue Service, United States Pro-
23 cessing Tax Board of Review, Procurement Division, and
24 Division of Disbursement for the fiscal year 1942 are hereby
25 made available for the payment of items otherwise properly

1 chargeable to this appropriation, the provisions of section 6,
2 Act of August 23, 1912 (31 U. S. C. 669), to the contrary
3 notwithstanding.

4 CUSTODY OF TREASURY BUILDINGS

5 Salaries of operating force: For the Superintendent of
6 Treasury Buildings and for other personal services in the
7 District of Columbia, including the operating force of the
8 Treasury Building, the Treasury Annex, the Liberty Loan
9 Building, and the Auditors' Building, \$353,604.

10 Salaries and expenses, guard force: For salaries and
11 expenses of the guard force for Treasury Department build-
12 ings in the District of Columbia, including the Bureau of
13 Engraving and Printing, including not to exceed \$9,875
14 for purchase, repair, and cleaning of uniforms, and for the
15 purchase of arms and ammunition and miscellaneous equip-
16 ment, \$406,900: *Provided*, That not to exceed \$80,000
17 of the appropriation "Salaries and expenses, Bureau of
18 Engraving and Printing," may be transferred to this appro-
19 priation to cover service rendered such Bureau in connection
20 with the protection of currency, bonds, stamps, and other
21 papers of value the cost of producing which is not covered
22 and embraced in the direct appropriations for such Bureau:
23 *Provided further*, That the Secretary of the Treasury may
24 detail an agent of the Secret Service to supervise such force.

DIVISION OF PRINTING

Salaries: For the Chief, Division of Printing, and other personal services in the District of Columbia, \$68,740.

Printing and binding: For printing and binding for the Treasury Department, including all of its bureaus, offices, institutions, and services located in Washington, District of Columbia, and elsewhere, except the Bureau of Internal Revenue, and including materials for the use of the book-binder, located in the Treasury Department, but not including work done at the New York Customhouse bindery authorized by the Joint Committee on Printing in accordance with the Act of March 1, 1919 (44 U. S. C. 111), and for the cost of transportation to field offices of printed and bound material, including cost of necessary packing boxes and packing materials, \$538,300.

Stationery: For stationery for the Treasury Department and its several bureaus and offices, and field services thereof, including tags, labels, and index cards, printed in the course of manufacturing, packing boxes and other materials necessary for shipping stationery supplies, and cost of transportation of stationery supplies purchased free on board point of shipment and of such supplies shipped from Washington to field offices, \$704,800.

BUREAU OF ACCOUNTS

Salaries: For Commissioner of Accounts and other per-

1 sonal services in the District of Columbia, including the
2 Division of Bookkeeping and Warrants, \$442,500.

3 Division of Disbursement, salaries and expenses: For
4 personal services in the District of Columbia and in the field,
5 stationery, travel, rental of equipment, and all other necessary
6 miscellaneous and contingent expenses, \$1,774,453: *Pro-*
7 *vided*, That with the approval of the Director of the Bureau
8 of the Budget there may be transferred to this appropriation
9 from funds available for the Agricultural Adjustment Admin-
10 istration, Federal Housing Administration, United States
11 Housing Authority, Federal Surplus Commodities Corpora-
12 tion, Federal Prison Industries, Railroad Retirement Board,
13 United States Maritime Commission, the Federal Crop Insur-
14 ance Corporation, the Commodity Credit Corporation, the
15 Surplus Marketing Administration, and the National Youth
16 Administration, such sums as may be necessary to cover the
17 expense incurred in performing the function of disbursement
18 therefor.

19 Contingent expenses, public moneys: For contingent
20 expenses under the requirements of section 3653 of the
21 Revised Statutes (31 U. S. C. 545), for the collection, safe-
22 keeping, transfer, and disbursement of the public money,
23 transportation of notes, bonds, and other securities of the
24 United States, transportation of gold coin, gold bullion, and
25 gold certificates transferred to Federal Reserve banks and

1 branches, United States mints and assay offices, and the
2 Treasury, after March 9, 1933, actual expenses of examiners
3 detailed to examine the books, accounts, and money on hand
4 at the several depositories, including national banks acting
5 as depositories under the requirements of section 3649 of the
6 Revised Statutes (31 U. S. C. 548), also including examina-
7 tions of cash accounts at mints, \$200,000.

8 Recoinage of minor coins: To enable the Secretary of
9 the Treasury to continue the recoinage of worn and uncur-
10 rent minor coins of the United States now in the Treasury
11 or hereafter received, and to reimburse the Treasurer of the
12 United States for the difference between the nominal or face
13 value of such coins and the amount the same will produce in
14 new coins, \$20,000.

15 Recoinage of silver coins: To enable the Secretary of the
16 Treasury to continue the recoinage of worn and uncurrent
17 subsidiary silver coins of the United States now in the
18 Treasury or hereafter received, and to reimburse the Treas-
19 urer of the United States for the difference between the
20 nominal or face value of such coins and the amount the same
21 will produce in new coins, \$425,000.

22 Relief of the indigent, Alaska: For the payment to the
23 United States district judges in Alaska but not to exceed
24 10 per centum of the receipts from licenses collected outside
25 of incorporated towns in Alaska, to be expended for the

1 relief of persons in Alaska who are indigent and incapac-
2 tated through nonage, old age, sickness, or accident,
3 \$30,000.

4 Refund of moneys erroneously received and covered:
5 To enable the Secretary of the Treasury to meet any expendi-
6 tures of the character formerly chargeable to the appropria-
7 tion accounts abolished under section 18 of the Permanent
8 Appropriation Repeal Act of 1934, approved June 26, 1934,
9 and any other collections erroneously received and covered
10 which are not properly chargeable to any other appropriation,
11 \$35,000.

12 Payment of unclaimed moneys: To enable the Secretary
13 of the Treasury to meet any expenditures of the character
14 formerly chargeable to the appropriation accounts abolished
15 under section 17 of the Permanent Appropriation Repeal
16 Act of 1934, approved June 26, 1934, payable from the
17 funds held by the United States in the trust fund receipt
18 account "Unclaimed moneys of individuals whose where-
19 abouts are unknown", \$15,000.

20 BUREAU OF THE PUBLIC DEBT

21 Salaries and expenses: For necessary expenses con-
22 nected with the administration of any public-debt issues
23 and United States paper-currency issues with which the
24 Secretary of the Treasury is charged, including the purchase
25 of lawbooks, directories, books of reference, pamphlets,

1 periodicals, and newspapers, and the maintenance, opera-
2 tion, and repair of a motor-propelled bus or station wagon
3 for use of the Destruction Committee, and including the
4 Commissioner of the Public Debt and other personal services
5 in the District of Columbia, \$2,374,450: *Provided*, That the
6 amount to be expended for personal services in the District
7 of Columbia shall not exceed \$2,345,500.

8 Distinctive paper for United States securities: For dis-
9 tinctive paper for United States currency, including transpor-
10 tation of paper, traveling, mill, and other necessary expenses,
11 and salaries of employees and allowance, in lieu of expenses,
12 of officer or officers detailed from the Treasury Department,
13 not exceeding \$50 per month each when actually on duty; in
14 all, \$1,114,000: *Provided*, That in order to foster competition
15 in the manufacture of distinctive paper for United States se-
16 curities, the Secretary of the Treasury is authorized, in his dis-
17 cretion, to split the award for such paper for the fiscal year
18 1942 between the two bidders whose prices per pound are
19 the lowest received after advertisement.

20 Expenses of loans: The indefinite appropriation "Ex-
21 penses of loans, Act of September 24, 1917, as amended
22 and extended" (31 U. S. C. 760, 761), shall not be used
23 during the fiscal year 1942 to supplement the appropriation
24 herein made for the current work of the Bureau of the Public
25 Debt, and the amount obligated under such indefinite appro-

1 priation during such fiscal year shall not exceed \$4,292,000:
 2 *Provided*, That the proviso in the Act of June 16, 1921 (31
 3 U. S. C. 761), limiting the availability of this appropriation
 4 for expenses of operations on account of any public debt issue
 5 to the close of the fiscal year next following the fiscal year in
 6 which such issue was made, shall not apply to savings bond
 7 transactions handled by the Federal Reserve banks for
 8 account of the Secretary of the Treasury.

9 OFFICE OF TREASURER OF THE UNITED STATES

10 Salaries: For Treasurer of the United States, Assistant
 11 Treasurer, and for other personal services in the District of
 12 Columbia, \$1,620,000.

13 Salaries (Reimbursable): For personal services in the
 14 District of Columbia, in redeeming Federal Reserve notes,
 15 \$58,000, to be reimbursed by the Federal Reserve banks.

16 With the approval of the Director of the Bureau of the
 17 Budget, there may be transferred sums (not exceeding a total
 18 of \$700,000) to the appropriations, "Salaries, Office of
 19 Treasurer of the United States, 1942", "Contingent ex-
 20 penses, Treasury Department, 1942", "Printing and binding,
 21 Treasury Department, 1942", and "Stationery, Treasury
 22 Department, 1942", from funds available for the Agricul-
 23 tural Adjustment Administration, Home Owners' Loan Cor-
 24 poration, Farm Credit Administration, Tennessee Valley
 25 Authority, Federal Farm Mortgage Corporation, Recon-

1 struction Finance Corporation, Federal land banks and other
2 banks and corporations under the supervision of the Farm
3 Credit Administration, Railroad Retirement Board, Soil
4 Conservation Service, including Soil Conservation and
5 Domestic Allotment, National Youth Administration,
6 Federal Housing Administration, United States Housing
7 Authority, Civilian Conservation Corps, Public Works Ad-
8 ministration, Commodity Credit Corporation, Rural Electrifi-
9 cation Administration, and corporations and banks under the
10 Federal Home Loan Bank Board to cover the expenses
11 incurred on account of such respective activities in clearing
12 of checks, servicing of bonds, handling of collections, and
13 rendering of accounts therefor.

14 BUREAU OF CUSTOMS

15 Salaries and expenses: For collecting the revenue from
16 customs, for the detection and prevention of frauds upon the
17 customs revenue, and not to exceed \$100,000 for the secur-
18 ing of evidence of violations of the customs laws; for expenses
19 of transportation and transfer of customs receipts from points
20 where there are no Government depositories; not to exceed
21 \$84,500 for allowances for living quarters, including heat,
22 fuel, and light, as authorized by the Act approved June 26,
23 1930 (5 U. S. C. 118a), but not to exceed \$1,700 for any
24 one person; not to exceed \$500 for subscriptions to news-
25 papers; not to exceed \$2,000 for improving, repairing, main-

1 taining, or preserving buildings, inspection stations, office
2 quarters, including living quarters for officers, sheds, and
3 sites along the Canadian and Mexican borders acquired under
4 authority of the Act of June 26, 1930 (19 U. S. C. 68) ;
5 and including the purchase (not to exceed \$87,500),
6 exchange, maintenance, repair, and operation of motor-pro-
7 pelled passenger-carrying vehicles when necessary for official
8 use in field work ; \$21,050,000, of which such amount as may
9 be necessary shall be available for the payment of extra com-
10 pensation earned by customs officers or employees for over-
11 time services, at the expense of the parties in interest, in
12 accordance with the provisions of section 5 of the Act
13 approved February 13, 1911, as amended by the Act ap-
14 proved February 7, 1920, and section 451 of the Tariff Act,
15 1930, as amended (19 U. S. C. 261, 267, and 1451) : *Pro-*
16 *vided*, That the receipts from such parties in interest for such
17 overtime services shall be deposited as a refund to the appro-
18 priation from which such overtime compensation is paid, in
19 accordance with the provisions of section 524 of the Tariff
20 Act of 1930, as amended (19 U. S. C. 1524) ; for the cost
21 of seizure, storage, and disposition of any merchandise, vehi-
22 cle and team, automobile, boat, air or water craft, or any
23 other conveyance seized under the provisions of the customs
24 laws, for the purchase of arms, ammunition, and accessories,
25 and \$570,000 shall be available for personal services in

1 the District of Columbia exclusive of ten persons from the
 2 field force authorized to be detailed under section 525 of
 3 the Tariff Act of 1930: *Provided*, That no part of this
 4 appropriation shall be expended for maintenance or repair of
 5 motor-propelled passenger-carrying vehicles for use in the
 6 District of Columbia except two for use in connection with
 7 the work of the customhouse in Georgetown.

8 Refunds and drawbacks: For the refund or payment of
 9 customs collections or receipts, and for the payment of de-
 10 bentures or drawbacks, bounties, and allowances, as author-
 11 ized by law, \$19,000,000.

12 OFFICE OF THE COMPTROLLER OF THE CURRENCY

13 Salaries: Comptroller of the Currency and other personal
 14 services in the District of Columbia, \$244,180.

15 BUREAU OF INTERNAL REVENUE

16 Salaries and expenses: For salaries and expenses in con-
 17 nection with the assessment and collection of internal-reve-
 18 nue taxes and the administration of the internal-revenue laws,
 19 including the administration of such provisions of other laws
 20 as are authorized by or pursuant to law to be administered
 21 by or under the direction of the Commissioner of Internal
 22 Revenue, including one stamp agent (to be reimbursed by
 23 the stamp manufacturers) and the employment of experts;
 24 the securing of evidence of violations of the Acts, the cost
 25 of chemical analyses made by others than employees of the

1 United States and expenses incident to such chemists testify-
2 ing when necessary; transfer of household goods and effects
3 as provided by Act of October 10, 1940 (Public, Numbered
4 839), and regulations promulgated thereunder; telegraph
5 and telephone service, postage, freight, express, necessary
6 expenses incurred in making investigations in connection with
7 the enrollment or disbarment of practitioners before the
8 Treasury Department in internal-revenue matters, expenses
9 of seizure and sale, and other necessary miscellaneous ex-
10 penses, including stenographic reporting services; for the
11 acquisition of property under the provisions of title III of
12 the Liquor Law Repeal and Enforcement Act, approved
13 August 27, 1935 (49 Stat. 872-881), and the operation,
14 maintenance, and repair of property acquired under such
15 title III; for the purchase (not to exceed \$25,000), ex-
16 change, hire, maintenance, repair, and operation of motor-
17 propelled or horse-drawn passenger-carrying vehicles when
18 necessary, for official use of the Alcohol Tax and Intelligence
19 Units in field work; printing and binding (not to exceed
20 \$689,850) ; and the procurement of such supplies, equipment,
21 furniture, mechanical devices, laboratory supplies, periodicals
22 and newspapers for the Alcohol Tax Unit, ammunition, law-
23 books and books of reference, and such other articles as
24 may be necessary, \$71,512,000, of which amount not to
25 exceed \$9,731.155 may be expended for personal services

1 in the District of Columbia: *Provided*, That no part of this
2 amount shall be used in defraying the expenses of any officer
3 or employee designated above, subpoenaed by the United
4 States court to attend any trial before a United States court
5 or preliminary examination before any United States Com-
6 missioner, which expenses shall be paid from the appropria-
7 tion for "Fees of witnesses, Department of Justice":
8 *Provided further*, That not more than \$100,000 of the total
9 amount appropriated herein may be expended by the Com-
10 missioner of Internal Revenue for detecting and bringing to
11 trial persons guilty of violating the internal-revenue laws or
12 conniving at the same, including payments for information
13 and detection of such violation.

14 Salaries and expenses for refunding processing and re-
15 lated taxes and administering title III, Revenue Act of 1936:
16 For salaries and expenses in connection with (1) the assess-
17 ment and collection of the tax on unjust enrichment imposed
18 by title III, Revenue Act of 1936, (2) the making of refunds
19 and payments of processing and related taxes, as authorized
20 by titles IV and VII of the Revenue Act of 1936, as
21 amended, and (3) the refund of taxes collected under the
22 Cotton Act of April 21, 1934, as amended (48 Stat. 598),
23 the Tobacco Act of June 28, 1934, as amended (48 Stat.
24 1275), and the Potato Act of August 24, 1935 (49 Stat.
25 782), as authorized by the Second Deficiency Appropriation

1 Act, fiscal year 1938, as amended, including personal serv-
2 ices in the District of Columbia and elsewhere, the hiring of
3 experts, stationery and office supplies, equipment, furniture,
4 mechanical devices, lawbooks and books of reference, trade
5 journals, stenographic reporting service, telegraph and tele-
6 phone services, postage, freight, express, printing and bind-
7 ing, notarial fees, travel expenses, fees of expert witnesses,
8 and fees and mileage of witnesses, which shall be the same
9 as are paid witnesses in the courts of the United States and
10 may be paid in advance upon certification of such officer as
11 the Commissioner of Internal Revenue or the Secretary of
12 the Treasury may designate, \$1,100,000, of which amount
13 not to exceed \$875,000 may be expended for personal serv-
14 ices in the District of Columbia.

15 Refunds and payments of processing and related taxes:
16 For refunds and payments of processing and related taxes as
17 authorized by titles IV and VII, Revenue Act of 1936, as
18 amended; for refunds of taxes collected (including penalties
19 and interest) under the Cotton Act of April 21, 1934, as
20 amended (48 Stat. 598), the Tobacco Act of June 28, 1934,
21 as amended (48 Stat. 1275), and the Potato Act of August
22 24, 1935 (49 Stat. 782), in accordance with the Second
23 Deficiency Appropriation Act, fiscal year 1938 (52 Stat.
24 1150), as amended, and as otherwise authorized by law: and
25 for redemption of tax stamps purchased under the aforesaid

1 Tobacco and Potato Acts, there is hereby continued available
2 during the fiscal year 1942, the unexpended balance of
3 the funds made available to the Treasury Department for
4 these purposes for the fiscal year 1941 by the Treasury
5 Department Appropriation Act, 1941.

6 Additional income tax on railroads in Alaska: For
7 the payment to the Treasurer of Alaska of an amount equal
8 to the tax of 1 per centum collected on the gross annual
9 income of all railroad corporations doing business in Alaska,
10 on business done in Alaska, which tax is in addition to the
11 normal income tax collected from such corporations on net
12 income, and the amount of such additional tax to be appli-
13 cable to general Territorial purposes, \$6,350.

14 Refunding internal-revenue collections: For refunding
15 internal-revenue collections, as provided by law, including
16 the payment of claims for the prior fiscal years and payment
17 of accounts arising under "Allowance or draw-back (Internal
18 Revenue)", "Redemption of stamps (Internal Revenue)",
19 "Refunding legacy taxes, Act of March 30, 1928", and
20 "Repayment of taxes on distilled spirits destroyed by casu-
21 alty", \$63,000,000: *Provided*, That a report shall be made
22 to Congress by internal-revenue districts and alphabetically
23 arranged of all disbursements hereunder in excess of \$500 as
24 required by section 3 of the Act of May 29, 1928 (sec.
25 3776, I. R. C.), including the names of all persons and

1 corporations to whom such payments are made, together
2 with the amount paid to each.

3 UNITED STATES PROCESSING TAX BOARD OF REVIEW

4 Salaries and expenses: For salaries and expenses of not
5 to exceed seven members of the Board of Review established
6 by section 906 of the Revenue Act of 1936 for review of
7 the disallowance by the Commissioner of Internal Revenue
8 of claims for refund of processing taxes filed under title VII,
9 Revenue Act of 1936, as amended, including personal
10 services in the District of Columbia and elsewhere, stationery
11 and office supplies, equipment, furniture, mechanical devices,
12 law books and books of reference, press releases, trade
13 journals, periodicals and newspapers, contract reporting
14 services, telegraph and telephone services, postage, freight,
15 express, printing and binding, notarial fees, travel expenses,
16 and such other miscellaneous expenses as may be authorized
17 or approved by the Secretary of the Treasury for the work
18 of this Board, \$110,000.

19 BUREAU OF NARCOTICS

20 Salaries and expenses: For expenses to enforce the Act
21 of December 17, 1914 (26 U. S. C. 1383-1391), as
22 amended by the Revenue Act of 1918 (26 U. S. C. 1040-
23 1064), the Narcotic Drugs Import and Export Act, as
24 amended (21 U. S. C. 171-184), and the Marihuana Tax
25 Act of 1937 (26 U. S. C. 1399-1399q) ; pursuant to the Act

1 of March 3, 1927 (5 U. S. C. 281c), and the Act of June
2 14, 1930 (5 U. S. C. 282-282c), including the employment
3 of executive officers, attorneys, agents, inspectors, chemists,
4 supervisors, clerks, messengers, and other necessary em-
5 ployees in the field and in the Bureau of Narcotics in the
6 District of Columbia, to be appointed as authorized by law;
7 the securing of information and evidence of violations of the
8 Acts; the costs of chemical analyses made by others than
9 employees of the United States; transfer of household goods
10 and effects as provided by the Act of October 10, 1940
11 (Public, Numbered 839), and regulations promulgated there-
12 under; the purchase of such supplies, equipment, mechanical
13 devices, books, and such other expenditures as may be neces-
14 sary in the several field offices; cost incurred by officers and
15 employees of the Bureau of Narcotics in the seizure, storage,
16 and disposition of property under the internal-revenue laws
17 when the same is disposed of under section 3460, Revised
18 Statutes (26 U. S. C. 1624); purchase (not to exceed
19 \$10,000), exchange, hire, maintenance, repair, and opera-
20 tion of motor-propelled or horse-drawn passenger-carrying
21 vehicles when necessary for official use in field work; pur-
22 chase of arms and ammunition; in all, \$1,278,475, of which
23 amount not to exceed \$190,000 may be expended for per-
24 sonal services in the District of Columbia: *Provided*, That the
25 Secretary of the Treasury may authorize the use by narcotic

1 agents of motor vehicles confiscated under the provisions of
2 the Act of August 27, 1935 (27 U. S. C. 157), and the
3 Act of August 9, 1939 (49 U. S. C., Supp. V. 781-788),
4 and to pay the cost of acquisition, maintenance, repair,
5 and operation thereof: *Provided further*, That not exceeding
6 \$10,000 may be expended for the collection and dissemina-
7 tion of information and appeal for law observance and law
8 enforcement, including cost of printing, purchase of news-
9 papers, and other necessary expenses in connection therewith
10 and not exceeding \$1,500 for attendance at meetings con-
11 cerned with the work of the Bureau of Narcotics: *Provided*
12 *further*, That not exceeding \$10,000 may be expended for
13 services or information looking toward the apprehension of
14 narcotic law violators who are fugitives from justice: *Pro-*
15 *vided further*, That moneys expended from this appropriation
16 for the purchase of narcotics including marihuana, and subse-
17 quently recovered shall be reimbursed to the appropriation
18 for enforcement of the narcotic Acts current at the time of
19 the deposit.

20 COAST GUARD

21 Office of Commandant: For personal services in the Dis-
22 trict of Columbia, \$765,000: *Provided*, That no part of any
23 appropriation contained in this Act shall be used to pay
24 any enlisted man of the Coast Guard while detailed for
25 duty at Coast Guard headquarters if such detail increases the

1 total number of enlisted men detailed on such duty at any
2 time above fourteen;

3 Pay and allowances: For pay and allowances prescribed
4 by law for commissioned officers, cadets, warrant officers,
5 petty officers, and other enlisted men, active and retired, tem-
6 porary cooks, surfmen, substitute surfmen, and three civilian
7 instructors, retired pay for certain members of the former
8 Life Saving Service authorized by the Act approved April
9 14, 1930 (14 U. S. C. 178a), and not exceeding \$10,000
10 for cash prizes for men for excellence in boatmanship, gun-
11 nery, target practice, and engineering competitions; for car-
12 rying out the provisions of the Act of June 4, 1920 (34
13 U. S. C. 943); not to exceed \$15,000 for cost of special
14 instruction, including books, laboratory equipment and fees,
15 school supplies, and maintenance of students; rations or
16 commutation thereof for cadets, petty officers, and other
17 enlisted men, mileage and expenses allowed by law for
18 officers; and traveling expenses of other persons traveling on
19 duty under orders from the Treasury Department, including
20 transportation of cadets, enlisted men, and applicants for en-
21 listment, with subsistence and transfers en route, or cash in
22 lieu thereof, and traveling expenses for the examinations
23 authorized by the Act entitled "An Act to provide for retire-
24 ment for disability in the Lighthouse Service", approved
25 March 4, 1925 (33 U. S. C. 765); expenses of recruiting

1 for the Coast Guard, rent of rendezvous, and expenses of
2 maintaining the same; advertising for and obtaining men
3 and apprentice seamen and applicants for appointment as
4 cadets; in-service training of enlisted men including cost of
5 textbooks, necessary school supplies, and correspondence
6 courses; transportation and packing allowances for baggage
7 or household effects of commissioned officers, warrant officers,
8 and enlisted men; and including not to exceed \$46,720 for
9 the recreation, amusement, comfort, contentment, and health
10 of the enlisted men of the Coast Guard, to be expended in
11 the discretion of the Secretary of the Treasury; \$32,680,000:
12 *Provided*, That no part of this appropriation shall be used
13 for increased pay at a rate in excess of \$1,440 per annum
14 to any nonflying commissioned officer or commissioned officer
15 observer for making aerial flights; which rate shall be the
16 legal maximum rate of such increased pay as to any such
17 officer: *Provided further*, That money accruing from com-
18 mutation of rations of enlisted men commuted for the benefit
19 of any mess may be paid on proper voucher to the officer
20 in charge of such mess;

21 General expenses, Coast Guard: For fuel, lubricating
22 oil, illuminants, kerosene, and water; the furnishing of heat,
23 light, and power (service) for vessels, shore stations, depots,
24 and offices; outfits, including necessary supplies and equip-
25 ment, medals, newspapers, technical books and periodicals,

1 and library books for shore stations and vessels; rental of
2 mechanical accounting machinery and other equipment;
3 repairs to portable equipment at shore units; ship chandlery,
4 engineers' stores, draft animals and their maintenance; pur-
5 chase (not to exceed \$25,000), exchange, maintenance,
6 operation, and repair of motor-propelled passenger-carry-
7 ing vehicles for official use at headquarters and in the
8 field; the rebuilding, repairing, maintenance, and incidental
9 expenses of shore stations, including lighthouses, lights,
10 beacons, and other fixed aids to navigation, radio stations,
11 depots, and offices; temporary leases and rentals; improve-
12 ment of property for Coast Guard purposes, including rental
13 or use of additional land where necessary and the purchase
14 of land for beacons, day marks, and fog signals; not to exceed
15 \$191,000 for completion of construction of the station
16 authorized by the Act approved June 29, 1936 (49 Stat.
17 2031): repairs to Coast Guard vessels, boats, and air-
18 craft, including cost of salvage operations when inci-
19 dent to such repairs; repair, maintenance, and operation
20 of vessels forfeited to the United States and delivered to
21 the Treasury Department under the terms of the Act ap-
22 proved March 3, 1925 (27 U. S. C. 41); coastal communi-
23 cation lines and facilities and their maintenance, and commun-
24 ication service; establishment, maintenance, repair, and im-
25 provement of post lights, buoys, submarine signals, fog signals,

1 beacons, day marks, and other aids to navigation; construction
2 of necessary outbuildings, including oil houses at light stations,
3 at a cost not exceeding \$2,500 at any one light station in any
4 fiscal year; wages of persons attending post lights; temporary
5 employees and field force, including professional, technical,
6 and clerical employees, while engaged on works of general
7 repair and maintenance, and laborers and mechanics at light-
8 house depots; rations and provisions, or commutation thereof,
9 for working parties in the field, officers and crews of light
10 vessels and tenders, and officials and other authorized persons
11 of the Coast Guard on duty on board of such tenders or
12 vessels, but money accruing from commutation of rations
13 and provisions for the above-named persons on board tenders
14 and light vessels or in working parties in the field may be
15 paid on proper voucher to the person having charge of the
16 mess of such vessel or party; transfer of household goods and
17 effects as provided by the Act of October 10, 1940 (Public,
18 Numbered 839), and regulations promulgated thereunder;
19 purchase of rubber boots, oilskins, rubber gloves, goggles,
20 and coats, caps, and aprons for steward's department on
21 vessels; fuel, light, and rent of quarters where necessary for
22 keepers of lighthouses; traveling expenses of teachers while
23 actually employed by States or private persons to instruct
24 the children of keepers of lighthouses; not to exceed \$1,500
25 for traveling expenses of new appointees from ports of em-

1 barkation in the United States to first post of duty at isolated
2 light stations in districts outside the continental limits of the
3 United States, and not to exceed \$2,500 for the transporta-
4 tion of the children of lighthouse keepers at isolated light
5 stations where necessary to enable such children to attend
6 school, as authorized by the Act of May 13, 1938 (33
7 U. S. C. 748a) ; necessary traveling expenses of lighthouse
8 keepers at isolated stations incurred in obtaining medical
9 attention as authorized by the Act of February 25, 1929
10 (33 U. S. C. 747b) ; purchase of provisions for sale to
11 Coast Guard personnel at isolated stations, and the appro-
12 priation reimbursed; contingent expenses, including subsist-
13 ence and clothing for shipwrecked and destitute persons
14 succored by the Coast Guard, and including reimbursement,
15 under rules prescribed by the Secretary of the Treasury,
16 of Coast Guard personnel who furnish from their personal
17 stock subsistence and clothing to such persons; subsistence
18 of prisoners while in the custody of the Coast Guard;
19 instruments, apparatus, and services necessary to the car-
20 rying on of scientific investigation, and not to exceed \$4,000
21 for experimental and research work; motion-picture equip-
22 ment (not to exceed \$30,000) and material for official
23 purposes; care, transportation, and burial of deceased officers
24 and enlisted men, including those who die in Government
25 hospitals, and civilian employees, in accordance with the

1 provisions of section 11, Act of June 6, 1940 (54 Stat. 248) ;
2 apprehension of deserters; wharfage, towage, freight, storage,
3 advertising, surveys, entrance fees in matches for the rifle
4 team and special equipment therefor; not to exceed \$2,500
5 for contingencies for the Superintendent, United States Coast
6 Guard Academy, to be expended in his discretion; payment
7 of rewards for the apprehension and conviction, or for infor-
8 mation helpful to the apprehension and conviction, of persons
9 found interfering, in violation of section 6 of the Act of
10 May 14, 1908 (33 U. S. C. 761), with aids to navigation
11 maintained by the Coast Guard; and all other necessary
12 expenses which are not included under any other heading:
13 \$13,974,150. of which \$2,026,000 shall be available
14 immediately;

15 Civilian employees, Coast Guard: For compensation of
16 civilian employees in the field, including per diem labor,
17 but excluding personnel provided for in the appropriation
18 "General Expenses, Coast Guard", \$3,500,000;

19 Airplanes: For replacement and additional airplanes
20 and their equipment, including radio and ordnance equip-
21 ment, spare parts, and accessories, to be constructed or
22 purchased in the discretion of the Secretary of the Treasury,
23 \$663,000, to remain available until June 30, 1943;

24 Construction of vessels and shore facilities: For addi-
25 tional and replacement vessels and their equipment, and the

1 construction, rebuilding, or extension of shore facilities,
 2 including the acquisition of sites therefor, ~~(2)\$8,111,000~~
 3 ~~\$11,111,000~~, to be immediately available and to remain
 4 available until expended, of which amount not to exceed four
 5 per centum shall be available for administrative expenses in
 6 connection therewith, including personal services in the Dis-
 7 trict of Columbia, and of which amount \$5,000,000 is for the
 8 construction and equipment of three large cutters within a
 9 total limit of cost of \$11,370,000 and the Secretary of the
 10 Treasury is authorized to enter into contracts during the
 11 fiscal years 1941 and 1942 for their construction and equip-
 12 ment within such limit;

13 Establishing and improving aids to navigation: For
 14 establishing and improving aids to navigation and other
 15 works, \$1,500,000, which sum shall be available for all ex-
 16 penditures directly relating to the respective projects and
 17 of which \$950,000 shall be immediately available;

18 Retired pay, former Lighthouse Service, Coast Guard:
 19 For retired pay of certain officers and employees entitled
 20 thereto by virtue of former employment in the Lighthouse
 21 Service engaged in the field service or on vessels of the Coast
 22 Guard, except persons continuously employed in district
 23 offices and shops, \$1,000,000;

24 No part of the appropriations contained in this Act
 25 under the Coast Guard, nor of any appropriation heretofore

1 made, shall be used for the construction for the Coast Guard
 2 of any new permanent aviation shore station or for the perma-
 3 nent enlargement of the capacity of any existing aviation
 4 shore station, but this limitation shall not apply to expendi-
 5 tures for completion of construction for which funds were
 6 made available by the Second Deficiency Appropriation Act,
 7 fiscal year 1938, or by the First Deficiency Appropriation
 8 Act, fiscal year 1940;

9 Wherever during the fiscal year 1942, civilian em-
 10 ployees of the Coast Guard are replaced by military per-
 11 sonnel, as provided in the Act of August 5, 1939 (53 Stat.
 12 1216), funds for the pay and allowances of such military per-
 13 sonnel may be transferred, with the approval of the Director
 14 of the Bureau of the Budget, from the appropriation or appro-
 15 priations which provide for the pay of such civilian personnel
 16 to the appropriation "Pay and Allowances, Coast Guard";

17 Total, Coast Guard. (3) ~~\$62,193,150~~ \$65,193,150.

18 BUREAU OF ENGRAVING AND PRINTING

19 For the work of engraving and printing, exclusive of
 20 repay work, during the fiscal year 1942, United States
 21 currency and internal-revenue stamps, including opium
 22 orders and special-tax stamps required under the Act of
 23 December 17, 1914 (26 U. S. C. 1040, 1383), checks,
 24 drafts, and miscellaneous work, as follows:

25 Salaries and expenses: For the Director, two Assistant

1 Directors, and other personal services in the District of Co-
2 lumbia, including wages of rotary press plate printers at per
3 diem rates and all other plate printers at piece rates to be
4 fixed by the Secretary of the Treasury, not to exceed the
5 rates usually paid for such work; for engravers' and printers'
6 materials and other materials, including distinctive and non-
7 distinctive paper, except distinctive paper for United States
8 currency and Federal Reserve bank currency; equipment of,
9 repairs to, and maintenance of buildings and grounds and for
10 minor alterations to buildings; directories, technical books
11 and periodicals, examples of engraving and printing, includ-
12 ing foreign securities and stamps, and books of reference; not
13 exceeding \$500; traveling expenses not to exceed \$2,000;
14 miscellaneous expenses, including not to exceed \$1,500 for
15 articles approved by the Secretary of the Treasury as being
16 necessary for the protection of the person of employees; for
17 transfer to the Bureau of Standards for scientific investiga-
18 tions in connection with the work of the Bureau of Engraving
19 and Printing, not to exceed \$15,000; and for the mainte-
20 nance and driving of two motor-propelled passenger-carrying
21 vehicles; \$10,000,000, to be expended under the direction
22 of the Secretary of the Treasury.

23 During the fiscal year 1942 all proceeds derived
24 from work performed by the Bureau of Engraving and Print-
25 ing, by direction of the Secretary of the Treasury, not covered

1 and embraced in the appropriation for such Bureau for such
2 fiscal year, instead of being covered into the Treasury as
3 miscellaneous receipts, as provided by the Act of August 4,
4 1886 (31 U. S. C. 176), shall be credited when received to
5 the appropriation for such Bureau for the fiscal year 1942.

6 SECRET SERVICE DIVISION

7 Salaries: For the Chief of the Division and other per-
8 sonal services in the District of Columbia, \$69,543.

9 Suppressing counterfeiting and other crimes: For sala-
10 ries and other expenses under the authority or with the
11 approval of the Secretary of the Treasury in detecting,
12 arresting, and delivering into the custody of the United
13 States marshal or other officer having jurisdiction, dealers
14 and pretended dealers in counterfeit money, persons engaged
15 in counterfeiting, forging, and altering United States notes,
16 bonds, national-bank notes, Federal Reserve notes, Federal
17 Reserve bank notes, and other obligations and securities of
18 the United States and of foreign governments (including
19 endorsements thereon and assignments thereof), as well as
20 the coins of the United States and of foreign governments,
21 and persons committing other crimes against the laws of the
22 United States relating to the Treasury Department and the
23 several branches of the public service under its control; pur-
24 chase (not to exceed \$15,000), exchange, hire, maintenance,
25 repair, and operation of motor-propelled passenger-carrying

1 vehicles when necessary; purchase of arms and ammunition;
2 traveling expenses; transfer of household goods and effects
3 as provided by the Act of October 10, 1940 (Public, Num-
4 bered 839), and regulations promulgated thereunder; and for
5 no other purpose whatsoever, except in the performance of
6 other duties specifically authorized by law, and in the
7 protection of the person of the President and the members
8 of his immediate family and of the person chosen to be Presi-
9 dent of the United States, \$1,009,000: *Provided*, That no
10 part of the amount herein appropriated shall be used in de-
11 fraying the expenses of any person subpoenaed by the United
12 States courts to attend any trial before a United States court
13 or preliminary examination before any United States commis-
14 sioner, which expenses shall be paid from the appropriation
15 for "Fees of witnesses, Department of Justice": *Provided*
16 *further*, That of the amount herein appropriated not to
17 exceed \$15,000 may be expended in the discretion of the
18 Secretary of the Treasury for the purpose of securing informa-
19 tion concerning violations of the laws relating to the Treasury
20 Department, and for services or information looking toward
21 the apprehension of criminals.

22 White House Police: For one captain, two lieutenants,
23 four sergeants, and seventy-three privates, at rates of pay
24 provided by law; in all, \$195,900.

25 For uniforming and equipping the White House Police,

1 including the purchase, issue, and repair of revolvers, and
 2 the purchase and issue of ammunition and miscellaneous
 3 supplies, to be procured in such manner as the President in
 4 his discretion may determine, \$6,500.

5 BUREAU OF THE MINT

6 OFFICE OF DIRECTOR OF THE MINT

7 Salaries: For the Director of the Mint and other per-
 8 sonal services in the District of Columbia, \$119,540.

9 Transportation of bullion and coin: For transportation
 10 of bullion and coin, by registered mail or otherwise, between
 11 mints, assay offices, and bullion depositories, \$187,500, in-
 12 cluding compensation of temporary employees and other
 13 necessary expenses incident thereto.

14 Contingent expenses and examination of mints: For
 15 assay laboratory chemicals, fuel, materials, balances, weights,
 16 and other necessities, including books, periodicals, specimens
 17 of coins, ores, and incidentals, and for examination of mints,
 18 expense in visiting mints for the purpose of superintending
 19 the annual settlements, and for special examinations and for
 20 the collection of statistics relative to the annual production
 21 and consumption of the precious metals in the United States,
 22 \$14,300.

23 Salaries and expenses, mints and assay offices: For com-
 24 pensation of officers and employees of the mints at Phila-
 25 delphia, Pennsylvania, San Francisco, California, Denver,

1 Colorado, and New Orleans, Louisiana, the assay offices at
2 New York, New York, and Seattle, Washington, and the
3 bullion depositories at Fort Knox, Kentucky, and West
4 Point, New York, including necessary personal services for
5 carrying out the provisions of the Gold Reserve Act of 1934
6 and the Silver Purchase Act of 1934, and any Executive
7 orders, proclamations and regulations issued thereunder, and
8 for incidental and contingent expenses, including traveling
9 expenses, new machinery, and repairs, arms, and ammuni-
10 tion, purchase and maintenance of uniforms and accessories
11 for guards, protective devices, and their maintenance, training
12 of employees in use of firearms and protective devices, pur-
13 chase (not exceeding \$1,700) and exchange of a motorbus,
14 maintenance, repair, and operation of two motorbuses for
15 use at the Fort Knox Bullion Depository, cases and enamel-
16 ing for medals manufactured, net wastage in melting and
17 refining and in coining departments, loss on sale of sweeps
18 arising from the treatment of bullion and the manufacture of
19 coins, not to exceed \$500 for the expenses of the annual
20 assay commission, and not exceeding \$1,000 for the acqui-
21 sition, at the dollar face amount or otherwise, of specimen
22 and rare coins, including United States and foreign gold coins
23 and pieces of gold used as, or in lieu of, money, and ores, for
24 addition to the Government's collection of such coins, pieces,
25 and ores; \$3,191,500.

PROCUREMENT DIVISION

Salaries and expenses: For the Director of Procurement and other personal services in the District of Columbia and in the field service, and for miscellaneous expenses, including office supplies and materials, purchase and exchange of motortrucks and maintenance thereof, telegrams, telephone service, traveling expenses, office equipment, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Procurement Division of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field (including not to exceed \$500 to settle claims for damages caused to private property by motor vehicles used by the Procurement Division), \$889,000: *Provided*, That the Secretary of the Treasury is authorized and directed during the fiscal year 1942 to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government for the fiscal year 1942 such amounts as may be approved by the Director of the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Procurement Division, respectively, from any such department or establishment, where the transfer or detail of such employees

1 is incident to a transfer of a function or functions to that
2 Division and (b) such amount as the Director of the Bureau
3 of the Budget may determine to be necessary for expenses
4 other than personal services incident to the proper carrying
5 out of functions so transferred: *Provided further*, That
6 payments during the fiscal year 1942 to the general
7 supply fund for materials, and supplies (including fuel),
8 and services, and overhead expenses for all issues shall be
9 made on the books of the Treasury Department by transfer
10 and counterwarrants prepared by the Procurement Division
11 of the Treasury Department and countersigned by the Comp-
12 troller General, such warrants to be based solely on itemized
13 invoices prepared by the Procurement Division at issue
14 prices to be fixed by the Director of Procurement: *Provided*
15 *further*, That advances received pursuant to law (31 U. S. C.
16 686) from departments and establishments of the United
17 States Government and the government of the District of
18 Columbia during the fiscal year 1942 shall be credited
19 to the general supply fund: *Provided further*, That not
20 to exceed \$1,000,000 shall be available from the general
21 supply fund during the fiscal year 1942 for personal services:
22 *Provided further*, That the term "fuel" shall be held
23 to include "fuel oil": *Provided further*, That the re-
24 quirements of sections 3711 and 3713 of the Revised
25 Statutes (40 U. S. C. 109) relative to the weighing of coal

1 and wood and the separate certificate as to the weight,
2 measurement, or quantity of coal and wood purchased shall
3 not apply to purchases by the Procurement Division at free-
4 on-board destination outside of the District of Columbia:
5 *Provided further*, That the reconditioning and repair of sur-
6 plus property and equipment, for disposition or reissue to
7 Government service, may be made at cost by the Procure-
8 ment Division, payment therefor to be effected by charging
9 the proper appropriation and crediting the appropriation
10 "Salaries and expenses, Procurement Division".

11 Repairs to typewriting machines (except bookkeeping
12 and billing machines) in the Government service in the Dis-
13 trict of Columbia may be made at cost by the Procurement
14 Division, payment therefor to be effected by charging the
15 proper appropriation and crediting the appropriation
16 "Salaries and expenses, Procurement Division".

17 No part of any money appropriated by this or any other
18 Act shall be used during the fiscal year 1942 for the purchase
19 of any standard typewriting machines (except bookkeeping,
20 billing, and electric machines) at a price in excess of the
21 following for models with carriages which will accommodate
22 paper of the following widths, to wit: Ten inches (cor-
23 respondence models), \$70; twelve inches, \$75; fourteen
24 inches, \$77.50; sixteen inches, \$82.50; eighteen inches,
25 \$87.50; twenty inches, \$94; twenty-two inches, \$95;

1 twenty-four inches, \$97.50; twenty-six inches, \$103.50;
 2 twenty-eight inches, \$104; thirty inches, \$105; thirty-two
 3 inches, \$107.50; or, for standard typewriting machines dis-
 4 tinctively quiet in operation, the maximum prices shall be as
 5 follows for models with carriages which will accommodate
 6 paper of the following widths, to wit: Ten inches, \$80;
 7 twelve inches, \$85; fourteen inches, \$90; eighteen inches,
 8 \$95.

9 This title may be cited as the "Treasury Department
 10 Appropriation Act 1942".

11 TITLE II—POST OFFICE DEPARTMENT

12 The following sums are appropriated in conformity with
 13 the Act of July 2, 1836 (5 U. S. C. 380, 39 U. S. C. 786),
 14 for the Post Office Department for the fiscal year ending
 15 June 30, 1942, namely:

16 POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF
 17 COLUMBIA

18 OFFICE OF THE POSTMASTER GENERAL

19 Salaries: For the Postmaster General and other per-
 20 sonal services in the office of the Postmaster General in
 21 the District of Columbia, \$226,904.

22 SALARIES IN BUREAUS AND OFFICES

23 For personal services in the District of Columbia in
 24 bureaus and offices of the Post Office Department in not to
 25 exceed the following amounts, respectively:

1 Office of the First Assistant Postmaster General,
2 \$391,420.

3 Office of the Second Assistant Postmaster General,
4 \$587,600.

5 Office of the Third Assistant Postmaster General,
6 ~~(4)\$791,060~~ \$798,560.

7 Office of the Fourth Assistant Postmaster General,
8 \$474,240.

9 Office of the Solicitor for the Post Office Department,
10 \$115,500.

11 Office of the chief inspector, \$240,910.

12 Office of the purchasing agent, \$47,240.

13 Bureau of Accounts, \$114,120.

14 CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

15 For contingent and miscellaneous expenses; stationery
16 and blank books, index and guide cards, folders and binding
17 devices, including purchase of free penalty envelopes; tele-
18 graph and telephone service, furniture and filing cabinets
19 and repairs thereto; purchase, exchange, maintenance, and
20 repair of tools, electrical supplies, typewriters, adding ma-
21 chines, and other labor-saving devices; purchase (including
22 exchange) of one motor-propelled passenger-carrying vehicle,
23 and for maintenance of motortrucks and of two motor-driven
24 passenger-carrying vehicles, to be used only for official pur-
25 poses (one for the Postmaster General and one for the gen-

1 eral use of the Department) ; streetcar fares; floor cover-
2 ings; postage stamps for correspondence addressed abroad,
3 which is not exempt under article 49 of the Buenos
4 Aires convention of the Universal Postal Union; purchase
5 and exchange of lawbooks, books of reference, railway guides,
6 city directories, and books necessary to conduct the business
7 of the Department; newspapers, not exceeding \$200; ex-
8 penses, except membership fees, of attendance at meetings or
9 conventions concerned with postal affairs, when incurred on
10 the written authority of the Postmaster General, not exceed-
11 ing \$2,000; expenses of the purchasing agent and of the
12 Solicitor and attorneys connected with his office while travel-
13 ing on business of the Department, not exceeding \$800; and
14 other expenses not otherwise provided for; \$89,796.

15 For printing and binding for the Post Office Depart-
16 ment, including all of its bureaus, offices, institutions, and
17 services located in Washington, District of Columbia, and
18 elsewhere, \$810,000.

19 Appropriations hereinafter made for the field service of
20 the Post Office Department, except as otherwise provided,
21 shall not be expended for any of the purposes hereinbefore
22 provided for on account of the Post Office Department in the
23 District of Columbia: *Provided*, That the actual and neces-
24 sary expenses of officials and employees of the Post Office
25 Department and Postal Service, when traveling on official

1 business, may continue to be paid from the appropriations for
 2 the service in connection with which the travel is performed,
 3 and appropriations for the fiscal year 1942 of the character
 4 heretofore used for such purposes shall be available therefor:
 5 *Provided further*, That appropriations hereinafter made,
 6 except such as are exclusively for payment of compensation,
 7 shall be immediately available for expenses in connection
 8 with the examination of estimates for appropriations in the
 9 field including per diem allowances in lieu of actual expenses
 10 of subsistence.

11 FIELD SERVICE, POST OFFICE DEPARTMENT

12 OFFICE OF THE POSTMASTER GENERAL

13 Travel expenses, Postmaster General and Assistant
 14 Postmasters General: For travel and miscellaneous expenses
 15 in the Postal Service, offices of the Postmaster General and
 16 Assistant Postmasters General, \$3,000.

17 Personal or property damage claims: To enable the
 18 Postmaster General to pay claims for damages, occurring
 19 during the fiscal year 1942, or in prior fiscal years, to per-
 20 sons or property in accordance with the provisions of the
 21 Deficiency Appropriation Act, approved June 16, 1921
 22 (5 U. S. C. 392), as amended by the Act approved June
 23 22, 1934 (48 Stat. 1207), \$45,000.

24 Adjusted losses and contingencies: To enable the Post-
 25 master General to pay to postmasters, Navy mail clerks,

1 and assistant Navy mail clerks or credit them with the
 2 amount ascertained to have been lost or destroyed during
 3 the fiscal year 1942, or prior fiscal years, through burglary,
 4 fire, or other unavoidable casualty resulting from no fault or
 5 negligence on their part, as authorized by the Act approved
 6 March 17, 1882, as amended, \$60,000.

7 OFFICE OF CHIEF INSPECTOR

8 Salaries of inspectors: For salaries of fifteen inspectors
 9 in charge of divisions and ~~(5)six hundred and twenty inspec-~~
 10 ~~tors~~ *not to exceed an average for the fiscal year of six hundred*
 11 *and fifty-five inspectors in a pay status, (6)\$2,405,700*
 12 *\$2,496,700.*

13 Traveling and miscellaneous expenses: For traveling
 14 expenses of inspectors, inspectors in charge, the chief post-
 15 office inspector, and the assistant chief post-office inspector,
 16 and for the traveling expenses of four clerks performing sten-
 17 ographic and clerical assistance to post-office inspectors in the
 18 investigation of important fraud cases; for tests, exhibits,
 19 documents, photographs, office, and other necessary expenses
 20 incurred by post-office inspectors in connection with their
 21 official investigations, including necessary miscellaneous ex-
 22 penses of division headquarters, and not to exceed \$500 for
 23 technical and scientific books and other books of reference
 24 needed in the operation of the Post Office Inspection Service,
 25 ~~(7)\$652,350~~ *\$682,000: Provided, That not exceeding*

1 \$26,000 of this sum shall be available for transfer by the
2 Postmaster General to other departments and independent
3 establishments for chemical and other investigations.

4 Clerks, division headquarters: For compensation of
5 one hundred and ninety-four clerks, at division headquarters
6 of post-office inspectors, \$483,975.

7 Payment of rewards: For payment of rewards for the
8 detection, arrest, and conviction of post-office burglars, rob-
9 bers, highway mail robbers, and persons mailing or causing
10 to be mailed any bomb, infernal machine, or mechanical,
11 chemical, or other device or composition which may ignite
12 or explode, \$55,000: *Provided*, That rewards may be paid
13 in the discretion of the Postmaster General, when an offender
14 of the classes mentioned was killed in the act of committing
15 the crime or in resisting lawful arrest: *Provided further*,
16 That no part of this sum shall be used to pay any rewards
17 at rates in excess of those specified in Post Office Depart-
18 ment Order 9273, dated July 25, 1936: *Provided further*,
19 That of the amount herein appropriated not to exceed
20 \$20,000 may be expended in the discretion of the Postmaster
21 General, for the purpose of securing information concerning
22 violations of the postal laws and for services and information
23 looking toward the apprehension of criminals.

24 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

25 Compensation to postmasters: For compensation to post-

1 masters, including compensation as postmaster to persons
 2 who, pending the designation of an acting postmaster, assume
 3 and properly perform the duties of postmaster in the event
 4 of a vacancy in the office of postmaster of the third or fourth
 5 class, and for allowances for rent, light, fuel, and equipment
 6 to postmasters of the fourth class, \$50,200,000.

7 Compensation to assistant postmasters: For compensa-
 8 tion to assistant postmasters at first- and second-class post
 9 offices, ~~(8)\$7,230,000~~ \$7,400,000.

10 Clerks, first- and second-class post offices: For compen-
 11 sation to clerks and employees at first- and second-class post
 12 offices, including auxiliary clerk hire at summer and winter
 13 post offices, printers, mechanics, skilled laborers, watchmen,
 14 messengers, laborers, and substitutes, \$216,000,000.

15 Clerks, contract stations: For compensation to clerks
 16 in charge of contract stations, \$1,640,000.

17 Separating mails: For separating mails at third- and
 18 fourth-class post offices, \$415,000.

19 Unusual conditions: For unusual conditions at post
 20 offices, \$85,000.

21 Clerks, third-class post offices: For allowances to third-
 22 class post offices to cover the cost of clerical services
 23 ~~(9)\$8,050,000~~ \$8,400,000.

24 Miscellaneous items, first- and second-class post offices:
 25 For miscellaneous items necessary and incidental to the opera-

tion and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, \$1,825,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, \$1,675,000.

Detroit River service: For Detroit River postal service, \$11,960.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special-delivery carfare, and cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, ~~(10)\$1,450,000~~ \$1,475,000.

City delivery carriers: For pay of letter carriers, City Delivery Service, and United States Official Mail and Messenger Service, \$151,500,000.

Special-delivery fees: For fees to special-delivery messengers, \$9,250,000.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star-route service: For inland transportation by star routes (excepting service in Alaska), including temporary service to newly established offices, ~~(11)\$11,250,000~~ \$11,400,000.

1 Star-route service, Alaska: For inland transportation
2 by star routes in Alaska, \$170,000.

3 Powerboat service: For inland transportation by steam-
4 boat or other powerboat routes, including ship, steamboat,
5 and way letters, \$1,397,750.

6 Railroad transportation and mail messenger service: For
7 inland transportation by railroad routes and for mail mes-
8 senger service, ~~(12)\$112,000,000~~ \$112,300,000: *Provided*,
9 That separate accounts be kept of the amount expended for
10 mail messenger service: *Provided further*, That there may be
11 expended from this appropriation for personal services in the
12 District of Columbia not exceeding the sum of \$33,050 to
13 carry out the provisions of section 214 of the Act of February
14 28, 1925 (39 U. S. C. 826) (cost ascertainment).

15 Railway Mail Service: For fifteen division superintend-
16 ents, fifteen assistant division superintendents, two assistant
17 superintendents at large, one hundred and twenty chief
18 clerks, one hundred and twenty assistant chief clerks, clerks
19 in charge of sections in the offices of division superintendents,
20 railway postal clerks, substitute railway postal clerks, joint
21 employees, and laborers in the Railway Mail Service,
22 ~~(13)\$57,400,000~~ \$57,460,000.

23 Railway postal clerks, travel allowance: For travel
24 allowance to railway postal clerks and substitute railway
25 postal clerks, \$3,275,000.

1 Railway Mail Service, traveling expenses: For actual
 2 and necessary expenses, general superintendent and assistant
 3 general superintendent, division superintendents, assistant di-
 4 vision superintendents, assistant superintendents, chief clerks,
 5 and assistant chief clerks; Railway Mail Service, and railway
 6 postal clerks, while actually traveling on business of the
 7 Post Office Department and away from their several desig-
 8 nated headquarters, ~~(14)\$55,000~~ \$60,000.

9 Railway Mail Service, miscellaneous expenses: For
 10 rent, light, heat, fuel, telegraph, miscellaneous and office
 11 expenses, telephone service, badges for railway postal clerks,
 12 rental of space for terminal railway post offices for the dis-
 13 tribution of mails when the furnishing of space for such
 14 distribution cannot, under the Postal Laws and Regulations,
 15 properly be required of railroad companies without addi-
 16 tional compensation, and for equipment and miscel-
 17 laneous items necessary to terminal railway post offices,
 18 ~~(15)\$440,000~~ \$450,000.

19 Electric- and cable-car service: For electric- and cable-
 20 car service, \$200,000.

21 Foreign mail transportation: For transportation of
 22 foreign mails, except by aircraft, \$2,300,000: *Provided*, That
 23 the Postmaster General is authorized to expend such sums
 24 as may be necessary, not to exceed \$70,000, to cover the
 25 cost to the United States for maintaining sea post service

1 on ocean steamships conveying the mails to and from the
2 United States.

3 Balances due foreign countries: For balances due foreign
4 countries, fiscal year 1942 and prior years, \$1,500,000.

5 Indemnities, international mail: For payment of limited
6 indemnity for the injury or loss of international mail in
7 accordance with convention, treaty, or agreement stipula-
8 tions, fiscal year 1942 and prior years, \$8,000.

9 Rural Delivery Service: For pay of rural carriers, auxil-
10 iary carriers, substitutes for rural carriers on annual and sick
11 leave, clerks in charge of rural stations, and tolls and ferriage,
12 Rural Delivery Service, and for the incidental expenses
13 thereof, \$92,100,000, of which not less than \$200,000 shall
14 be available for extensions and new service.

15 Foreign air-mail transportation: For transportation of
16 foreign mails by aircraft, as authorized by law, including
17 the transportation of mail by aircraft between Seattle,
18 Washington, and Juneau, Alaska, via Ketchikan, Alaska,
19 \$15,477,831.

20 Domestic Air Mail Service: For the inland transpor-
21 tation of mail by aircraft, as authorized by law, and for
22 the incidental expenses thereof, including not to exceed
23 \$54,400 for supervisory officials and clerks at air-mail
24 transfer points, travel expenses, and not to exceed \$64,500
25 for personal services in the District of Columbia, (16)\$24,—

1 ~~280,327~~ \$21,509,313, of which amount the sum of \$45,696
 2 shall be immediately available.

3 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

4 Manufacture and distribution of stamps and stamped
 5 paper: For manufacture of adhesive postage stamps, special-
 6 delivery stamps, books of stamps, stamped envelopes, news-
 7 paper wrappers, postal cards, and for coiling of stamps, and
 8 including not to exceed \$22,500 for pay of agent and assist-
 9 ants to examine and distribute stamped envelopes and news-
 10 paper wrappers, and for expenses of agency, (17) ~~\$5,000-~~
 11 ~~000~~ \$5,165,000.

12 Indemnities, domestic mail: For payment of limited
 13 indemnity for the injury or loss of pieces of domestic regis-
 14 tered matter, insured and collect-on-delivery mail, and for
 15 failure to remit collect-on-delivery charges, \$500,000.

16 Unpaid money orders more than one year old: For
 17 payment of domestic money orders after one year from the
 18 last day of the month of issue of such orders, \$190,000.

19 OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

20 Post office stationery, equipment, and supplies: For sta-
 21 tionery for the Postal Service, including the money-order
 22 and registry system; and also for the purchase of supplies
 23 for the Postal Savings System, including rubber stamps,
 24 canceling devices, certificates, envelopes, and stamps for use
 25 in evidencing deposits, and free penalty envelopes; and for

1 the reimbursement of the Secretary of the Treasury for ex-
2 penses incident to the preparation, issue, and registration of
3 the bonds authorized by the Act of June 25, 1910 (39
4 U. S. C. 760) for miscellaneous equipment and supplies,
5 including the purchase and repair of furniture, package boxes,
6 posts, trucks, baskets, satchels, straps, letter-box paint, baling
7 machines, perforating machines, stamp vending and postage
8 meter devices, duplicating machines, printing presses, direc-
9 tories, cleaning supplies, and the manufacture, repair, and
10 exchange of equipment, the erection and painting of letter-
11 box equipment, and for the purchase and repair of presses
12 and dies for use in the manufacture of letter boxes; for post-
13 marking, rating, money-order stamps, and electrotpe plates
14 and repairs to same; metal, rubber, and combination type,
15 dates and figures, type holders, ink pads for canceling and
16 stamping purposes, and for the purchase, exchange, and
17 repair of typewriting machines, envelope-opening machines,
18 and computing machines, numbering machines, time re-
19 corders, letter balances, scales (exclusive of dormant or
20 built-in platform scales in Federal buildings), test weights,
21 and miscellaneous articles purchased and furnished directly to
22 the Postal Service, including complete equipment and furni-
23 ture for post offices in leased and rented quarters; for the pur-
24 chase (including exchange), repair, and replacement of arms

1 and miscellaneous items necessary for the protection of the
2 mails; for miscellaneous expenses in the preparation and pub-
3 lication of post-route maps and rural delivery maps or blue-
4 prints, including tracing for photolithographic reproduction;
5 for other expenditures necessary and incidental to post offices
6 of the first, second, and third classes, and offices of the fourth
7 class having or to have rural delivery service, and for letter
8 boxes; for the purchase of atlases and geographical and
9 technical works not to exceed \$1,500; for wrapping twine
10 and tying devices (not more than three-fourths of the funds
11 herein appropriated for the purchase of twine shall be ex-
12 pended in the purchase of twine manufactured from materials
13 or commodities produced outside the United States); for
14 expenses incident to the shipment of supplies, including hard-
15 ware, boxing, packing, and not exceeding \$62,300 for the
16 pay of employees in connection therewith in the District of
17 Columbia; for rental, purchase, exchange, and repair of can-
18 celing machines and motors, mechanical mail-handling ap-
19 paratus, accident prevention, and other labor-saving devices,
20 including cost of power in rented buildings and miscellaneous
21 expenses of installation and operation of same, including
22 not to exceed \$35,000 for salaries of thirteen traveling
23 mechanics, and for traveling expenses, \$3,225,000: *Pro-*
24 *vided*, That the Postmaster General may authorize the sale

1 to the public of post-route maps and rural delivery maps or
2 blueprints at the cost of printing and 10 per centum thereof
3 added.

4 Equipment shops, Washington, District of Columbia:
5 For the purchase, manufacture, and repair of mail bags and
6 other mail containers and attachments, mail locks, keys,
7 chains, tools, machinery, and material necessary for same,
8 and for incidental expenses pertaining thereto; material, ma-
9 chinery, and tools necessary for the manufacture and repair
10 of such other equipment for the Postal Service as may be
11 deemed expedient; accident prevention; for the expenses of
12 maintenance and repair of the mail bag equipment shops
13 building and equipment, including fuel, light, power, and
14 miscellaneous supplies and services; maintenance of grounds;
15 for compensation to labor employed in the equipment shops
16 and in the operation, care, maintenance, and protection of
17 the equipment shops building, grounds, and equipment,
18 \$1,075,000, of which not to exceed \$605,000 may be
19 expended for personal services in the District of Colum-
20 bia: *Provided*, That out of this appropriation the Post-
21 master General is authorized to use as much of the sum,
22 not exceeding \$15,000, as may be deemed necessary for
23 the purchase of material and the manufacture in the equip-
24 ment shops of such small quantities of distinctive equipments
25 as may be required by other executive departments; and for

1 service in Alaska, Puerto Rico, Philippine Islands, Hawaii,
2 or other island possessions.

3 Rent, light, fuel, and water: For rent, light, fuel, and
4 water, for first-, second-, and third-class post offices, and the
5 cost of advertising for lease proposals for such offices,
6 **(18)**~~\$9,900,000~~ \$9,975,000.

7 Pneumatic-tube service, New York City: For rental of
8 not exceeding twenty-eight miles of pneumatic tubes, hire
9 of labor, communication service, electric power, and other
10 expenses for transmission of mail in the city of New York
11 including the Borough of Brooklyn, \$540,628: *Provided*,
12 That the provisions of the Acts of April 21, 1902, May 27,
13 1908, and June 19, 1922 (39 U. S. C. 423), relating to
14 contracts for the transmission of mail by pneumatic tubes
15 or other similar devices shall not be applicable hereto.

16 Pneumatic-tube service, Boston: For the rental of not
17 exceeding two miles of pneumatic tubes, not including labor
18 and power in operating the same, for the transmission of mail
19 in the city of Boston, Massachusetts, \$24,000: *Provided*,
20 That the provisions not inconsistent herewith of the Acts
21 of April 21, 1902 (39 U. S. C. 423), and May 27, 1908
22 (39 U. S. C. 423), relating to the transmission of mail
23 by pneumatic tubes or other similar devices shall be appli-
24 cable hereto.

25 Vehicle service: For vehicle service; the hire of ve-

1 hicles; the rental of garage facilities; the purchase, exchange,
2 maintenance, and repair of motor vehicles, including the
3 repair of vehicles owned by, or under the control of, units of
4 the National Guard and departments and agencies of the
5 Federal Government where repairs are made necessary be-
6 cause of utilization of such vehicles in the Postal Service;
7 accident prevention; the hire of supervisors, clerical assist-
8 ance, mechanics, drivers, garagemen, and such other em-
9 ployees as may be necessary in providing vehicles and vehicle
10 service for use in the collection, transportation, delivery, and
11 supervision of the mail, and United States official mail and
12 messenger service, \$15,900,000: *Provided*, That the Post-
13 master General may, in his disbursement of this appropria-
14 tion, apply a part thereof to the leasing of quarters for the
15 housing of Government-owned motor vehicles at a reasonable
16 annual rental for a term not exceeding ten years: *Provided*
17 *further*, That the Postmaster General, during the fiscal year
18 1942 may purchase and maintain from the appropriation
19 "Vehicle service" such tractors and trailer trucks as may be
20 required in the operation of the vehicle service: *Provided*
21 *further*, That no part of this appropriation shall be expended
22 for maintenance or repair of motor-propelled passenger-carry-
23 ing vehicles for use in connection with the administrative
24 work of the Post Office Department in the District of
25 Columbia.

1 Transportation of equipment and supplies: For the
 2 transportation and delivery of equipment, materials, and sup-
 3 plies for the Post Office Department and Postal Service by
 4 freight, express, or motor transportation, and other incidental
 5 expenses, (19)~~\$330,000~~ \$350,000.

6 PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

7 Operating force: For personal services in connection
 8 with the operation of public buildings, including the Wash-
 9 ington Post Office and the Customhouse Building in the
 10 District of Columbia, operated by the Post Office Depart-
 11 ment, together with the grounds thereof and the equipment
 12 and furnishings therein, including telephone operators for
 13 the operation of telephone switchboards or equivalent tele-
 14 phone switchboard equipment in such buildings jointly serv-
 15 ing in each case two or more governmental activities,
 16 \$23,500,000: *Provided*, That in no case shall the rates of
 17 compensation for the mechanical labor force be in excess of
 18 the rates current at the time and in the place where such
 19 services are employed.

20 Operating supplies, public buildings: For fuel, steam,
 21 gas, and electric current for lighting, heating, and power
 22 purposes, water, ice, lighting supplies, removal of ashes and
 23 rubbish, snow and ice, cutting grass and weeds, washing
 24 towels, telephone service for custodial forces, and for mis-
 25 cellaneous services and supplies, accident prevention, vacuum

1 cleaners, tools and appliances and repairs thereto, for the
 2 operation of completed and occupied public buildings and
 3 grounds, including mechanical and electrical equipment, but
 4 not the repair thereof, operated by the Post Office Depart-
 5 ment, including the Washington Post Office and the Custom-
 6 house Building in the District of Columbia, and for the trans-
 7 portation of articles and supplies authorized herein, \$5,500,-
 8 000: *Provided*, That the foregoing appropriation shall not be
 9 available for personal services except for work done by con-
 10 tract, or for temporary job labor under exigency not exceed-
 11 ing at one time the sum of \$100 at any one building: *Pro-*
 12 *vided further*, That the Postmaster General is authorized to
 13 contract for telephone service in public buildings under his
 14 administration by means of telephone switchboards or equiva-
 15 lent telephone switching equipment jointly serving in each
 16 case two or more governmental activities, where he deter-
 17 mines that joint service is economical and in the interest of
 18 the Government, and to secure reimbursement for the cost of
 19 such joint service from available appropriations for telephone
 20 expenses of the bureaus and offices receiving the same.

21 Furniture, carpets, and safes, public buildings: For the
 22 procurement, including transportation, of furniture, carpets,
 23 safes, safe and vault protective devices, and repairs of same,
 24 for use in public buildings which are now, or may hereafter
 25 be, operated by the Post Office Department (20)\$600,000

1 \$675,000: *Provided*, That, excepting expenditures for labor
2 for or incidental to the moving of equipment from or into pub-
3 lic buildings, the foregoing appropriation shall not be used for
4 personal services except for work done under contract or for
5 temporary job labor under exigency and not exceeding at one
6 time the sum of \$100 at any one building: *Provided further*,
7 That all furniture now owned by the United States in other
8 public buildings or in buildings rented by the United States
9 shall be used, so far as practicable, whether or not it corre-
10 sponds with the present regulation plan of furniture.

11 Scientific investigations: In the disbursement of appro-
12 priations contained in this title for the field service of the
13 Post Office Department the Postmaster General may trans-
14 fer to the Bureau of Standards not to exceed \$20,000 for
15 scientific investigations in connection with the purchase of
16 materials, equipment, and supplies necessary in the mainte-
17 nance and operation of the Postal Service.

18 Deficiency in postal revenues: If the revenues of the
19 Post Office Department shall be insufficient to meet the
20 appropriations made under title II of this Act, a sum equal
21 to such deficiency in the revenues of such Department is
22 hereby appropriated, to be paid out of any money in the
23 Treasury not otherwise appropriated, to supply such de-
24 ficiency in the revenues of the Post Office Department for
25 the fiscal year ending June 30, 1942, and the sum needed

1 may be advanced to the Post Office Department upon requi-
2 sition of the Postmaster General.

3 This title may be cited as the "Post Office Department
4 Appropriation Act, 1942".

5 TITLE III—GENERAL PROVISIONS

6 SEC. 301. Appropriations for the fiscal year 1942
7 available for expenses of travel of civilian officers and
8 employees of the executive departments and establishments
9 shall be available also for expenses of travel performed by
10 them on transfer from one official station to another when
11 authorized by the head of the department or establishment
12 concerned in the order directing such transfer: *Provided*,
13 That such expenses shall not be allowed for any transfer
14 effected for the convenience of any officer or employee.

15 SEC. 302. No appropriation available for the executive
16 departments and independent establishments of the Govern-
17 ment for the fiscal year ending June 30, 1942, whether
18 contained in this Act or any other Act, shall be expended—

19 (a) To purchase any motor-propelled passenger-car-
20 rying vehicle (exclusive of busses, ambulances, and station
21 wagons , at a cost, completely equipped for operation,
22 and including the value of any vehicle exchanged, in excess
23 of \$750, unless otherwise specifically provided for in the
24 appropriation.

25 (b) For the maintenance, operation, and repair of any

1 Government-owned motor-propelled passenger-carrying ve-
2 hicle not used exclusively for official purposes; and "official
3 purposes" shall not include the transportation of officers and
4 employees between their domiciles and places of employ-
5 ment, except in cases of medical officers on out-patient
6 medical services and except in cases of officers and employees
7 engaged in field work the character of whose duties makes
8 such transportation necessary and then only as to such latter
9 cases when the same is approved by the head of the depart-
10 ment or establishment concerned. The limitations of this
11 subsection (b) shall not apply to any motor vehicles for
12 official use of the President, the heads of the executive depart-
13 ments, Ambassadors, Ministers, and *chargés d'affaires*.

14 (c) For the maintenance, upkeep, and repair (exclusive
15 of garage rent, pay of operators, tires, fuel, and lubricants)
16 on any one motor-propelled passenger-carrying vehicle, ex-
17 cept busses and ambulances, in excess of one-third of the
18 market price of a new vehicle of the same make and class
19 and in no case in excess of \$400.

20 SEC. 303. No part of the money appropriated under
21 this Act shall be paid to any person for the filling of any
22 position for which he or she has been nominated after the
23 Senate upon vote has failed to confirm the nomination of
24 such person.

25 SEC. 304. No part of any appropriation contained in

1 this Act or authorized hereby to be expended shall be used
2 to pay the compensation of any officer or employee of the
3 Government of the United States, or of any agency the
4 majority of the stock of which is owned by the Government
5 of the United States, whose post of duty is in continental
6 United States, unless such officer or employee is a citizen
7 of the United States or a person in the service of the United
8 States on the date of the approval of this Act who, being
9 eligible for citizenship, has filed a declaration of intention to
10 become a citizen or who owes allegiance to the United States:
11 *Provided*, That this section shall not apply to enlisted men
12 of the United States Coast Guard who are on active duty in
13 that service on the effective date of this Act, until the ex-
14 piration of the period required for such enlisted men to com-
15 plete their naturalization, nor shall it apply to personnel of
16 the Coast Guard on the retired list, and enlisted men on
17 active duty with over twelve years' honorable service who
18 are ineligible for United States citizenship.

19 (21) *SEC. 305. No part of any appropriation contained in*
20 *this Act shall be used to pay the salary or wages of any per-*
21 *son who advocates, or who is a member of an organization*
22 *that advocates, the overthrow of the Government of the United*
23 *States by force or violence: Provided, That for the purposes*
24 *hereof an affidavit shall be considered prima facie evidence*
25 *that the person making the affidavit does not advocate, and*

1 *is not a member of an organization that advocates, the over-*
 2 *throw of the Government of the United States by force or*
 3 *violence: Provided further, That any person who advocates,*
 4 *or who is a member of an organization that advocates, the*
 5 *overthrow of the Government of the United States by force*
 6 *or violence and accepts employment the salary or wages for*
 7 *which are paid from any appropriation contained in this*
 8 *Act shall be guilty of a felony and, upon conviction, shall*
 9 *be fined not more than \$1,000 or imprisoned for not more*
 10 *than one year, or both: Provided further, That the above*
 11 *penalty clause shall be in addition to, and not in substitution*
 12 *for, any other provisions of existing law.*

13 SEC. (22)~~305~~ 306. This Act may be cited as the "Treas-
 14 ury and Post Office Departments Appropriation Act, 1942".

Passed the House of Representatives February 13, 1941.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

Passed the Senate with amendments May 7 (legislative
 day, May 5), 1941.

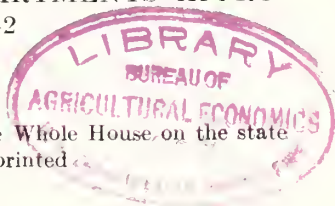
Attest:

EDWIN A. HALSEY,

Secretary.

TREASURY AND POST OFFICE DEPARTMENTS APPRO-
PRIATION BILL, 1942

MAY 21, 1941.—Committed to the Committee of the Whole House on the state
of the Union and ordered to be printed



Mr. LUDLOW, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 3205]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 3.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 11, 12, 13, 15, 19, 21, and 22, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$794,810; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *six hundred and thirty-five inspectors*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$2,444,700; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$665,350; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$7,278,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$8,250,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$57,500; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: \$21,486,465, of which amount the sum of \$22,848 shall be immediately available; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$5,065,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$9,950,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed, insert \$637,500; and the Senate agree to the same.

LOUIS LUDLOW,
EMMET O'NEAL,
GEO. W. JOHNSON,
GEORGE MAHON,
JOSEPH E. CASEY,
JOHN TABER,
FRANK B. KEEFE,
ROBERT F. RICH,

Managers on the part of the House.

CARTER GLASS,
PAT McCARRAN,
CARL HAYDEN,
JOSIAH W. BAILEY,
H. C. LODGE, JR.,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3205) making appropriations for the Treasury and Post-Office Departments for the fiscal year ending June 30, 1942, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

No. 1: Strikes out, as proposed by the Senate, authority in the appropriation for contingent expenses for "newspaper clippings".

Nos. 2 & 3: Strikes out the appropriation of \$3,000,000, inserted by the Senate, for a Coast Guard training station at Avery Point, Conn.

POST OFFICE DEPARTMENT

No. 4: Appropriates \$794,810 for personal services in the office of the Third Assistant Postmaster-General, instead of \$798,560 as proposed by the Senate and \$791,060 as proposed by the House.

Nos. 5, 6, and 7, relating to postal inspectors: Appropriates \$2,444,700 for 635 inspectors, instead of \$2,405,700 for 620 inspectors as proposed by the House and \$2,496,700 for 655 inspectors as proposed by the Senate; and makes provision for travelling expenses for the additional 15 inspectors.

No. 8: Appropriates \$7,278,000 for compensation to assistant postmasters, instead of \$7,230,000 as proposed by the House and \$7,400,000 as proposed by the Senate.

No. 9: Appropriates \$8,250,000 for clerks at third class postoffices, instead of \$8,400,000 as proposed by the Senate and \$8,050,000 as proposed by the House.

No. 10: Appropriates \$1,475,000 as proposed by the Senate, instead of \$1,450,000 as proposed by the House, for carfare and bicycle allowance.

No. 11: Appropriates \$11,400,000 as proposed by the Senate, instead of \$11,250,000 as proposed by the House, for the star-route service.

No. 12: Appropriates \$112,300,000 for railroad transportation of mail as proposed by the Senate instead, of \$112,000,000 as proposed by the House.

No. 13: Appropriates \$57,460,000 as proposed by the Senate, instead of \$57,400,000 as proposed by the House, for salaries, Railway Mail Service.

No. 14: Appropriates \$57,500 for traveling expenses of the Railway Mail Service, instead of \$60,000 as proposed by the Senate and \$55,000 as proposed by the House.

No. 15: Appropriates \$450,000 as proposed by the Senate, instead of \$440,000 as proposed by the House, for miscellaneous expenses, Railway Mail Service.

No. 16: Appropriates \$21,486,465 for domestic air mail and makes \$22,848 of that sum immediately available, instead of \$21,509,313 as proposed by the Senate and \$21,280,327 as proposed by the House. The additional amount of \$206,138 agreed upon provides \$183,290 for the fiscal year 1942 and \$22,848 for the month of June in the fiscal year 1941 for service on air mail routes for which certificates of convenience and necessity have been issued by the Civil Aeronautics Board as follows: Route 52 from Great Falls, Mont., via Cut Bank-Shelby, Mont., to Lethbridge, Alberta, Canada; route 53 from Houston, Tex., via Shreveport, La., and Pine Bluff, Ark., to Memphis, Tenn.; and the extension of route 47 to Louisville, Ky., service previously authorized on this route from St. Louis, Mo., via Evansville, Ind., to Nashville, Tenn.

No. 17: Appropriates \$5,065,000 for manufacture of stamps and stamped paper, instead of \$5,000,000 as proposed by the House and \$5,165,000 as proposed by the Senate. The reduction of the sum of \$100,000 restores the purpose of the House bill to eliminate the printing of air-mail stamps in more than one color.

No. 18: Appropriates \$9,950,000 for rent, light, fuel, and water for first-, second-, and third-class postoffices, instead of \$9,900,000 as proposed by the House and \$9,975,000 as proposed by the Senate.

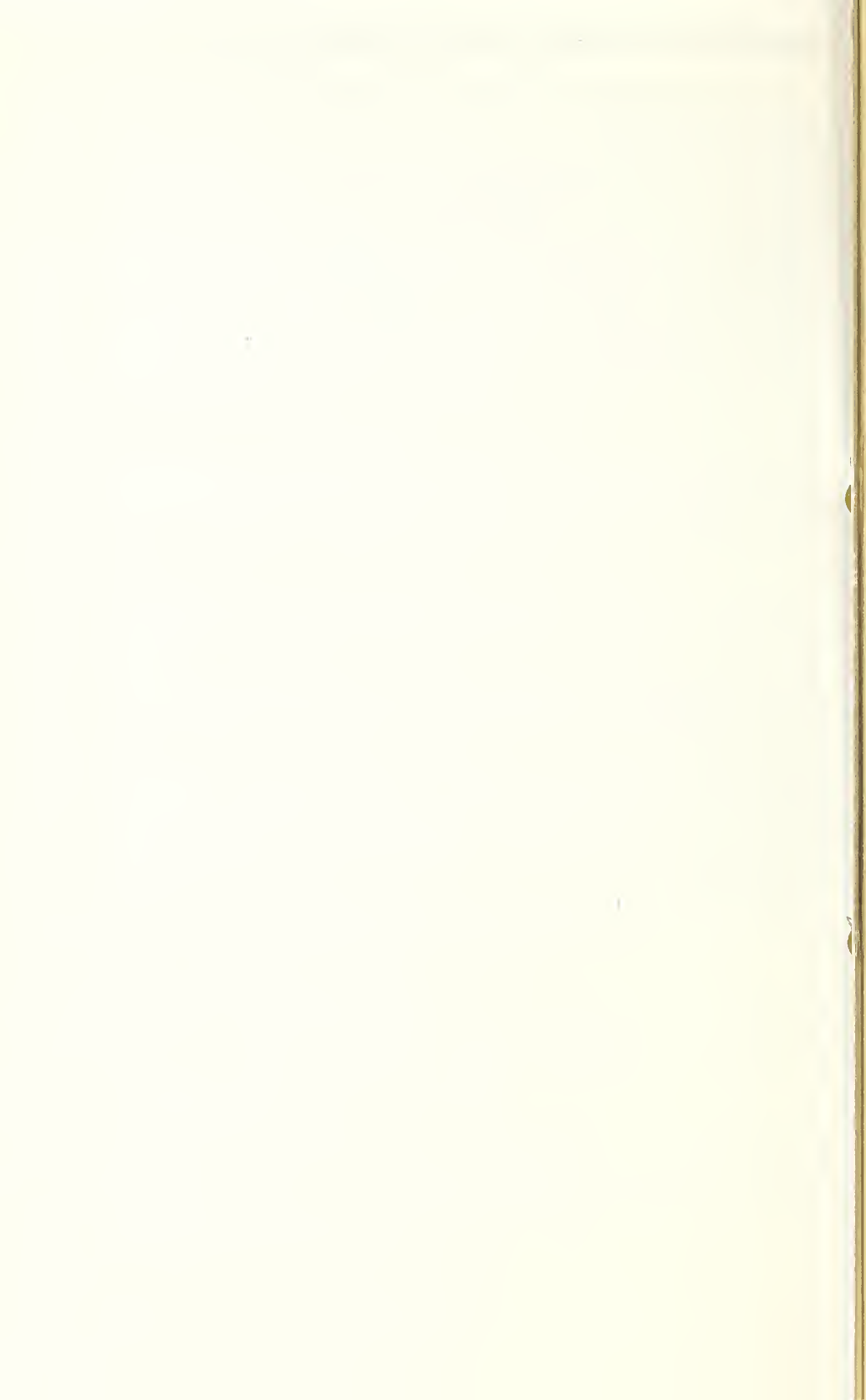
No. 19: Appropriates \$350,000 as proposed by the Senate instead of \$330,000 as proposed by the House for transportation of postal equipment and supplies.

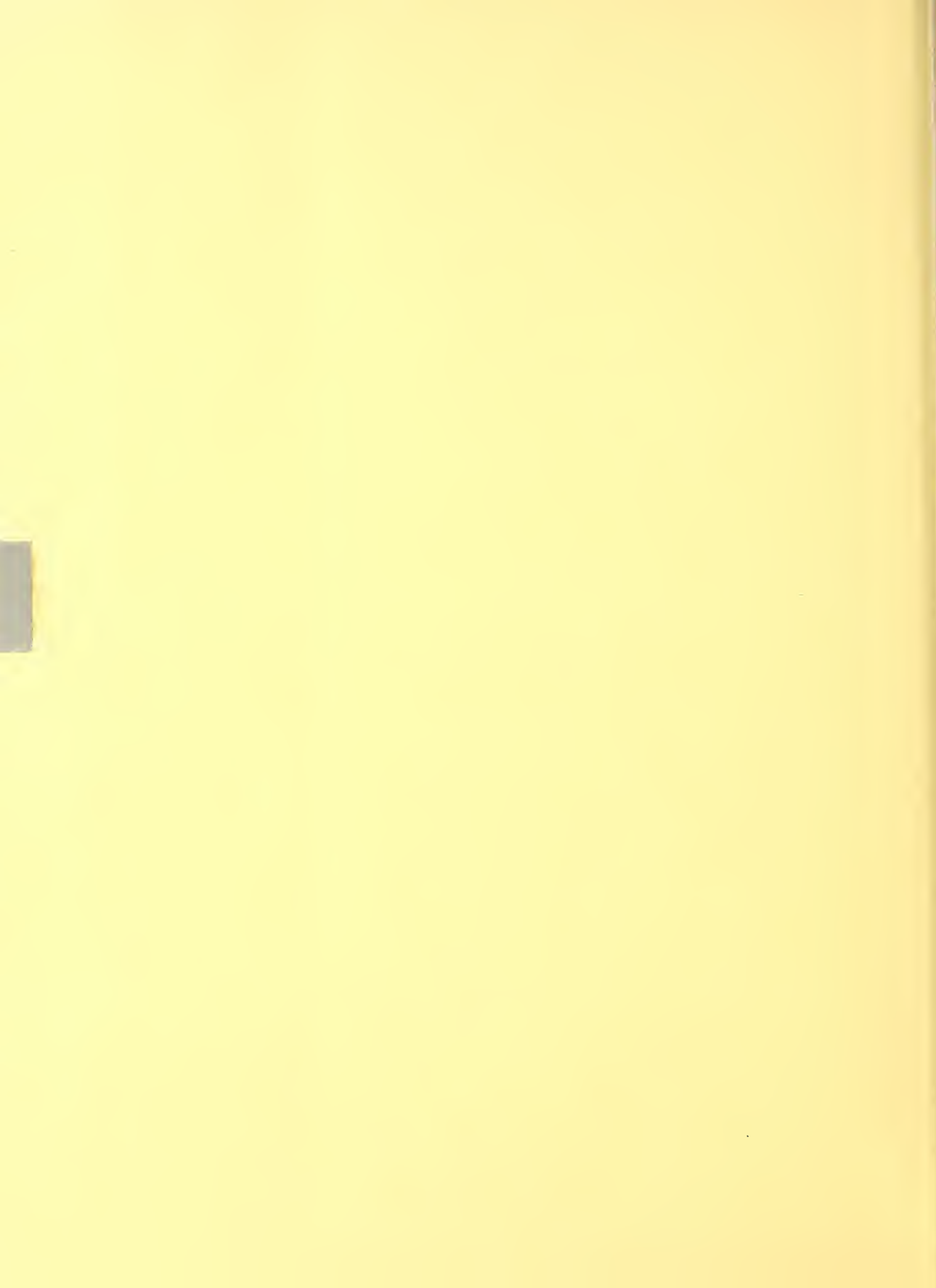
No. 20: Appropriates \$637,500 for furniture for public buildings, instead of \$600,000 as proposed by the House and \$675,000 as proposed by the Senate.

Nos. 21 and 22: Inserts a new section, proposed by the Senate, prohibiting the use of the funds contained in the bill to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. This is an identical section with those which the House has adopted in connection with other appropriation bills.

LOUIS LUDLOW,
EMMET O'NEAL,
GEO. W. JOHNSON,
GEORGE MAHON,
JOSEPH E. CASEY,
JOHN TABER,
FRANK B. KEEFE,
ROBERT F. RICH,

Managers on the part of the House.





Pennsylvania, said that I could not frank them out. [Applause.]

[Here the gavel fell.]

HERNANDO DE SOTO

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include certain quotations which I should like to use with reference to the expeditions of Hernando De Soto.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix of the RECORD.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCK. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program today and following any special orders heretofore entered, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to extend his own remarks in the RECORD.

ATTENDANCE AT SESSIONS OF THE HOUSE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, the observation just made by the gentleman from Mississippi relative to the fact that he has not missed a roll call in a long time brings up a rather interesting matter of House decorum.

Mr. RANKIN of Mississippi. If the gentleman will yield, the 10 years in which I never missed a roll call were from 1922 to 1932. It is the first time, they tell me, that any Member ever answered every single roll call for 10 consecutive years.

Mr. DIRKSEN. I have never been particularly squeamish about missing roll calls. I often feel that I can do my people much more good, sometimes, at the other end of the Avenue than I can here answering a quorum call. There are also occasions when one must go home and necessarily miss the roll calls. If there are any new Members in this body within the sound of my voice right now, I say to you out of the experience of 9 years that my people have never taken me to task when I missed a roll call, because I believe they have sufficient trust and confidence in my diligence and devotion to the job to know that if I am not here responding I am still pursuing the people's business. So do not think too much of it. [Applause.]

[Here the gavel fell.]

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PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the remarks of the gentleman from California [Mr. BUCK], I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

FREEDOM OF SPEECH

Mr. SHORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, the press reports that Phil La Follette has been denied the opportunity to speak down in Florida, and that Col. Charles Lindbergh has been denied the opportunity to use the radio in Philadelphia. One would think that both of these gentlemen are foreign Communists in our midst, but they both happen to be distinguished, loyal, and patriotic Americans—one a former Governor of one of our great Commonwealths and son of an illustrious man who served with honor in the United States Senate; the other a calm, courageous, heroic, and patriotic American whose father ably served in this House.

Mr. Speaker, the poorest method I know whereby to promote unity among our people is to deny any man in this country his fundamental right to exercise free speech. Before we start to impose the "four freedoms" upon all the peoples of this earth, God help us to begin to practice some of these freedoms here at home. [Applause.]

[Here the gavel fell.]

AN ANSWER TO ANNE LINDBERGH

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

[Mr. PIERCE addressed the House. His remarks appear in the Appendix of the RECORD.]

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an article by Judge Brand entitled "An Answer to Anne Lindbergh."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Northwestern Retail Coal Dealers Association on the coal situation in the Northwest.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

(Mr. WOODRUFF of Michigan and Mr. SHORT asked and were given permission to revise and extend their own remarks in the RECORD.)

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1942—CONFERENCE REPORT

Mr. LUDLOW. Mr. Speaker, I call up conference report on the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, and ask unanimous consent that the statement of the conferees may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, and 3.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 11, 12, 13, 15, 19, 21, and 22; and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$794,810"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "six hundred and thirty-five inspectors"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$2,444,700"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$665,350"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$7,278,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$8,250,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$57,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "\$21,486,465, of which amount the sum of \$22,848 shall be immediately available"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$5,065,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$9,950,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$637,500"; and the Senate agree to the same.

LOUIS LUDLOW,
EMMET O'NEAL,
GEO. W. JOHNSON,
GEORGE MAHON,
JOSEPH E. CASEY,
JOHN TABER,
FRANK B. KEEFE,
ROBERT F. RICH,

Managers on the part of the House.

CARTER GLASS,
PAT MCCARRAN,
CARL HAYDEN,
JOSIAH W. BAILEY,
H. C. LODGE, Jr.,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Treasury Department

No. 1: Strikes out, as proposed by the Senate, authority in the appropriation for contingent expenses for "newspaper clippings".

Nos. 2 and 3: Strikes out the appropriation of \$3,000,000, inserted by the Senate, for a Coast Guard training station at Avery Point, Conn.

Post Office Department

No. 4: Appropriates \$794,810 for personal services in the office of the Third Assistant Postmaster-General, instead of \$798,560 as proposed by the Senate and \$791,060 as proposed by the House.

Nos. 5, 6, and 7, relating to postal inspectors: Appropriates \$2,444,700 for 635 inspectors, instead of \$2,405,700 for 620 inspectors as proposed by the House and \$2,496,700 for 655 inspectors as proposed by the Senate; and makes provision for travelling expenses for the additional 15 inspectors.

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No. 17: Appropriates \$5,065,000 for manufacture of stamps and stamped paper, instead of \$5,000,000 as proposed by the House and \$5,165,000 as proposed by the Senate. The reduction of the sum of \$100,000 restores the purpose of the House bill to eliminate the printing of air-mail stamps in more than one color.

No. 18: Appropriates \$9,950,000 for rent, light, fuel, and water for first-, second-, and third-class post offices, instead of \$9,900,000 as proposed by the House and \$9,975,000 as proposed by the Senate.

No. 19: Appropriates \$350,000 as proposed by the Senate instead of \$330,000 as proposed by the House for transportation of postal equipment and supplies.

No. 20: Appropriates \$637,500 for furniture for public buildings, instead of \$600,000 as proposed by the House and \$675,000 as proposed by the Senate.

Nos. 21 and 22. Inserts a new section, proposed by the Senate, prohibiting the use of the funds contained in the bill to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. This is an identical section with those which the House has adopted in connection with other appropriation bills.

LOUIS LUDLOW,
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GEO. W. JOHNSON,
GEORGE MAHON,
JOSEPH E. CASEY,
JOHN TABER,
FRANK B. KEEFE,
ROBERT F. RICH,

Managers on the part of the House.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that there may be inserted in the Record at this point a tabulated statement which shows a financial picture of this measure from the date of its beginning until the date of its consummation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The statement referred to follows:

Treasury and Post Office appropriation bill, 1942

Amount of bill as passed by the Senate:

Treasury Department ----	\$307,330,185
Post Office Department ----	843,826,447
Total -----	1,151,156,632

Amount of bill as passed by the House:

Treasury Department ----	304,330,185
Post Office Department ----	842,064,311
Total -----	1,146,394,496

Amount added by the Senate:

Treasury Department ----	3,000,000
Post Office Department ----	1,762,136
Total -----	4,762,136

Senate recessions:

Treasury Department ----	3,000,000
Post Office Department ----	532,248
Total -----	3,532,248

House recessions:

Treasury Department ----	None
Post Office Department ----	1,229,888
Total -----	1,229,888

Total recessions ----- 4,762,136

Bill as agreed upon for 1942:

Treasury Department ----	304,330,185
Post Office Department ----	843,294,199
Total -----	1,147,624,384

Bill as agreed upon for 1942 is less than the Budget estimates:

Treasury Department ----	5,031,220
Post Office Department ----	2,947,374
Total -----	7,978,594

Bill is less than comparable

1941 appropriations:

Post Office Department ----	+27,804,022
Treasury Department ----	-30,319,950
Total -----	-2,515,928

Mr. LUDLOW. Mr. Speaker, I may state briefly for the information of the House that the Senate added to this bill the aggregate sum of \$4,762,136; the House conferees were able to secure a recession of \$3,532,248 in conference; so that in its final form the bill, as agreed upon, is \$7,978,594 less than the Budget estimates and \$2,515,928 less than the comparable appropriations for 1941.

Mr. Speaker, we bring this report to the House backed by the unanimous judgment of the conferees on both sides, and I now yield such time as he may desire to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the conference committee has brought back this report with a saving of three-fourths of the additions that were put on by the Senate. [Applause.] The result has been such that I feel I ought to compliment the gentleman from Indiana [Mr. LUDLOW] and the gentleman from Kentucky [Mr. O'NEAL] upon the efforts they made in conference. [Applause.] They were such that the gentleman from Pennsylvania [Mr. RICH], the gentleman from Wisconsin [Mr. KEEFE], and myself very gladly joined in signing the conference report.

At this time this country is facing a crisis. We are having all sorts of demands made upon the Treasury in the alleged name of national defense, all sorts of things that are not defense, all sorts of demands that just result in waste of the people's money. The country is facing a tax bill of \$3,500,000,000, which I believe is needed if we are to keep the Treasury right side up and meet defense needs. The example that the gentleman from Indiana [Mr. LUDLOW] and the gentleman from Kentucky [Mr. O'NEAL] have set in the efforts they have made on this bill can well be followed by other Members of this House in their conferences and in their work upon bills that take money out of the Treasury. Let us keep them down far enough so that we can help in the Appropriations Committee and in the House to reduce the demands upon the Treasury, and help as far as we can to land the Treasury right side up. [Applause.]

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF POWER TO ESTABLISH PRIORITIES AND ALLOCATE MATERIALS

Mr. VINSON of Georgia. Mr. Speaker, I call up conference report on the bill (H. R. 4534) to amend the act approved June 28, 1940, entitled "An act to expedite the national defense, and for other purposes," in order to extend the power to establish priorities and allocate material, and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4534) to amend the act approved June 28, 1940, entitled "An act to expedite the national defense, and for other purposes," in order to extend the power to establish priorities and allocate material, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 2 and 3, and agree to the same.

CARL VINSON,
P. H. DREWRY,
MELVIN J. MAAS,

Managers on the part of the House.

ROBT. R. REYNOLDS,
ED C. JOHNSON,
LISTER HILL,
WARREN R. AUSTIN,
STYLES BRIDGES,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4534) to amend the act approved June 28, 1940, entitled "An act to expedite the national defense, and for other purposes," in order to extend the power to establish priorities and allocate material, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1

The House bill provided that the President should be entitled to obtain such information from, require such reports by, and make such inspection of the premises of, any person, firm, or corporation as might be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of the bill.

Senate amendment numbered 1 provided that no such inspection should be made of any private dwelling, occupied as such, without a warrant directing the search issued in accordance with title XI of the Espionage Act of June 15, 1917.

The Senate recedes.

Amendments Nos. 2 and 3

The House bill provided that the President might exercise any power, authority, or discretion conferred on him by the bill through a Director of Priorities, whom he was authorized to appoint by and with the advice and consent of the Senate. The Director was to receive compensation at the rate of \$12,000 per annum, and was authorized to appoint and fix the compensation of such officers and employees as were necessary to carry out his powers under the bill. The Director was to exercise his powers with the assistance of industry committees, which he was directed to establish and utilize, and upon the basis of information furnished to him by such industry committees and upon the basis of such other information as he deemed pertinent. Such powers were to be exercised by the Director only after prior approval of such exercise by the Joint Army and Navy Munitions Board.

Senate amendment numbered 3 strikes out this provision of the House bill, and Senate amendment numbered 2 authorizes the President to exercise any power, authority, or discretion conferred on him by the bill through such department, agency, or officer of the Government as he may direct and in conformity with any rules and regulations which he may prescribe.

On both Senate amendments numbered 2 and 3 the House recedes.

CARL VINSON,
P. H. DREWRY,
MELVIN J. MAAS,

Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, I may state to the House that the effect of the conference report is the rejection of what was known as the Cox amendment when the priorities bill was before the House. As the Members will recall,

my colleague from Georgia offered an amendment seeking to give statutory existence to the Priorities Division of the O. P. M.; also that the Director of the Priorities Division be confirmed by the Senate and that the Priorities Division be subordinated to the jurisdiction of the Joint Army and Navy Munitions Board.

I appeared before the Committee on Military Affairs of the Senate, where this bill was sent, and did my level best to convince that committee that the position of the House was well founded. Mr. Knudsen, Mr. Stettinius, and Judge Patterson, of the War Department, as well as representatives of the Navy Department, were very much opposed to the amendment, so the Senate Military Affairs Committee rejected the amendment. When we went to conference yesterday I offered a compromise proposition, and I regret that the conferees on the part of the Senate would not adhere to the House proposition. So there was nothing we could do except recede, as we cannot afford to hold up the bill simply because of this one question involved, as it simmered down to, which question was whether or not the Director should be confirmed by the Senate.

Mr. SABATH. Mr. Speaker will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. SABATH. Does the gentleman say that the conferees agreed to some compromise proposition?

Mr. VINSON of Georgia. Oh, no; I stated that the conferees rejected a compromise that I offered and that the bill is just as it was when I introduced it.

Mr. SABATH. But the amendment adopted in the House is eliminated?

Mr. VINSON of Georgia. Yes.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. DIRKSEN. Assuming, for instance, where the flow of material is restricted to the point where an existing industry simply cannot control operations, is there any provision under which there may be redress, or at least an appeal?

Mr. VINSON of Georgia. From the Director?

Mr. DIRKSEN. From the action of the Director.

Mr. VINSON of Georgia. The manufacturer could probably appeal to the Director of the O. P. M., which is practically the same thing, of course. There is no other agency to which he could appeal, unless he makes his appeal directly to the President of the United States.

Mr. MAAS. The bill gives the power to the President of the United States.

Mr. DIRKSEN. May I point out to the gentleman from Georgia that the Merchant Marine and Fisheries priorities bill, on the floor this week, provided that it would be possible to issue a warrant under such condition that it would be impossible for a man to refuel or repair his vessel, so that for all purposes they could put an individual entirely out of business? There was a penalty clause there of \$5,000 and no redress whatever.

Mr. VINSON of Georgia. There is no penalty clause in this. The main objective of this is to make it obligatory and

mandatory on the part of the manufacturer to give priority, thereby relieving him of a legal liability for doing so.

Mr. DIRKSEN. Is it not the gentleman's opinion that Congress ought to be reasonably cautious here in the granting of extraordinary powers, at least to the extent of preserving the right of appeal?

Mr. VINSON of Georgia. Oh, yes. I did my level best; and if I had my way the O. P. M. would exist by virtue of statute, but unfortunately I am but one man and cannot do anything else.

Mr. Speaker, if there is no further question, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

OVERTIME RATES OF COMPENSATION FOR CERTAIN EMPLOYEES

Mr. ANDREWS. Mr. Speaker, yesterday when the chairman of the Committee on Military Affairs, the gentleman from Kentucky [Mr. MAY], called up the bill H. R. 4739, authorizing overtime rates of compensation for certain per annum employees of the field services of the War Department, the Panama Canal, the Navy Department, and the Coast Guard, and providing additional pay for employees who forego their vacations, an objection was interposed on this side which prevented the passage of the bill. I understand that objection has been withdrawn. I ask unanimous consent that the bill be now taken up for immediate consideration.

The SPEAKER. The Clerk will report the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. A similar Senate bill is on the Speaker's table.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that the similar Senate bill be substituted.

The SPEAKER. Is there objection?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, will the gentleman state whether or not this bill modifies in any way the language relating to employment in the Canal Zone, as embodied in the paragraph dealing with that subject in the appropriation bills?

Mr. MAY. I did not understand the gentleman's question.

Mr. CASE of South Dakota. In the appropriation bills dealing with employment in the Canal Zone we have a special paragraph that deals with that employment. Is there anything in this bill that changes the provision in the appropriation bills?

Mr. MAY. No; I think not. It merely provides for payment for vacation time, when they work rather than take a vacation.

Mr. CASE of South Dakota. The reason I raised the question is because we had very extended consideration of that in the conference on the appropriation for the civil functions of the War Department and the Senate bill did make

some substantial changes. However, in conference it was agreed to hold to the House's version. I am wondering if in any way this upsets that agreement?

Mr. MAY. As I understand, it does not make any difference in the pay, except that it is an identical provision with the House provision on the subject of leave-of-absence pay.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ANDREWS]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That compensation for employment in excess of 40 hours in any administrative workweek computed at a rate of 1½ times the regular rate is hereby authorized to be paid, under such regulations as the President may prescribe, to those per annum employees in the field service of the War Department, the Panama Canal, the Navy Department, and the Coast Guard, whose overtime services are essential to and directly connected with the expeditious prosecution of the overtime work upon which the employees enumerated in section 5 (a) of the act of June 28, 1940, and section 1 of the act of October 21, 1940, are engaged: *Provided*, That in determining the overtime compensation of the foregoing per annum employees the pay for 1 day shall be considered to be one three-hundred-and-sixtieth of the respective per annum salaries.

SEC. 2. Employees of the field service of the War Department and the Panama Canal Zone may, during the period of the national emergency declared by the President on September 8, 1939, to exist, be employed during the time they would otherwise be on vacation without deprivation of their vacation pay for the time so worked. Employees who forego their vacations in accordance with the provisions of this section may be paid, in addition to their regular pay, the equivalent of the pay they would have drawn during the period of such vacation. The provisions of this section shall be applicable only to employees whose service at the time cannot, in the judgment of the Secretary of War or the Governor of the Panama Canal, as the case may be, be spared without detriment to the national defense.

SEC. 3. The provisions of section 2 of this act and of section 7 of the act of June 28, 1940 (Public No. 671), shall be administered in accordance with such rules and regulations as the President may prescribe.

SEC. 4. The provisions of this act shall be effective during the national emergency declared by the President on September 8, 1939, to exist, and shall terminate June 30, 1942, unless the Congress shall otherwise provide.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 4739, was laid on the table.

RIGHT-OF-WAY ACROSS CAMP WALLACE MILITARY RESERVATION, P. I.

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 166) to provide a right-of-way across Camp Wallace Military Reservation, P. I.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as

are deemed advisable by him, to grant to the Asiatic Petroleum Co. (Philippine Islands), Ltd., its successors and/or assigns, an easement for rights-of-way for oil and/or gasoline pipe lines, and appurtenant ramp for rolling drums, over, across, in, and upon the Camp Wallace Military Reservation, P. I.: *Provided*, That such easement shall be granted only upon a finding by the Secretary of War that the same shall be in the public interest of the United States in the property affected thereby: *Provided further*, That all or any part of such easement may be annulled and forfeited by the Secretary of War if the property is needed for governmental purposes or for failure to comply with the terms or conditions of any grant hereunder, or for nonuse or for abandonment of rights granted under authority hereof: *And provided further*, That all moneys which may accrue to the United States under the provisions of this act shall be deposited in the Treasury as miscellaneous receipts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RIGHT-OF-WAY ACROSS CAMP WALLACE MILITARY RESERVATION, P. I.

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 167) to provide a right-of-way across Camp Wallace Military Reservation, P. I., and I would like to state that it is identical with the other bill except that it relates to a different pipe line. It is reported favorably by the committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant to the Standard-Vacuum Oil Co., its successors and/or assigns, an easement for rights-of-way for oil and/or gasoline pipe lines over, across, in, and upon the Camp Wallace Military Reservation, Philippine Islands: *Provided*, That such easement shall be granted only upon a finding by the Secretary of War that the same will be in the public interest of the United States in the property affected thereby: *Provided further*, That all or any part of such easement may be annulled and forfeited by the Secretary of War if the property is needed for governmental purposes or for failure to comply with the terms or conditions of any grant hereunder, or for nonuse or for abandonment of rights granted under authority hereof: *And provided further*, That all moneys which may accrue to the United States under the provisions of this act shall be deposited in the Treasury as miscellaneous receipts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLANT PROTECTION FORCE FOR NAVAL SHORE ESTABLISHMENTS

Mr. SABATH. Mr. Speaker, I call up House Resolution 202, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state

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[PUBLIC LAW 88—77TH CONGRESS]

[CHAPTER 156—1ST SESSION]

[H. R. 3205]

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1942, namely:

OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, Under Secretary of the Treasury, Fiscal Assistant Secretary of the Treasury, two Assistant Secretaries of the Treasury, and other personal services in the District of Columbia, including the temporary employment of experts, \$290,000: *Provided*, That in expending appropriations or portions of appropriations contained in this Act for the payment of personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretaries of the Treasury and the Assistant Postmasters General, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such Act, as amended, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade, except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year, and then only to the next higher rate: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such Act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the Classification Act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Salaries and Expenses, Foreign Owned Property Control: For expenditure under the direction of the Secretary of the Treasury for any purpose in connection with the carrying out of the provisions of section 5 (b) of the Act of October 6, 1917 (40 Stat. 411, 415), as amended, and any proclamations, orders, or regulations that have been or may be issued thereunder, including personal services (without regard to classification laws), printing, and all other necessary expenses incurred in carrying out instructions issued by the Secretary of the Treasury pursuant to section 5 (b) of the Act of October 6, 1917, as amended, or proclamations, orders, or regulations issued thereunder, including reimbursement of any other appropriation or other funds of the United States or any agency, instrumentality, territory, or possession thereof, including the Philippine Islands, and reimbursement of any Federal Reserve bank for printing and other expenditures, \$1,250,000.

Payments to Federal land banks on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay each Federal land bank such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such land bank have been reduced during the fiscal year 1942, and prior thereto, in accordance with the provisions of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act (12 U. S. C. 771), as amended, \$26,800,000.

Payments to the Federal Farm Mortgage Corporation on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay to the Federal Farm Mortgage Corporation such amount as the Governor of the Farm Credit Administration certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such Corporation have been reduced during the fiscal year 1942, and prior thereto, in accordance with the provisions of section 32 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C. 1016), as amended, such payments to be made quarterly, beginning as soon as practicable after October 1, 1941, \$9,600,000.

DIVISION OF RESEARCH AND STATISTICS

Salaries: For personal services in the District of Columbia, \$218,000.

OFFICE OF GENERAL COUNSEL

Salaries: For the General Counsel and other personal services in the District of Columbia, \$145,000.

DIVISION OF PERSONNEL

Salaries: For the Chief of the Division, and other personal services in the District of Columbia, \$125,000.

OFFICE OF CHIEF CLERK

Salaries: For the Chief Clerk and other personal services in the District of Columbia, \$211,500.

MISCELLANEOUS AND CONTINGENT EXPENSES, TREASURY DEPARTMENT

For miscellaneous and contingent expenses of the Office of the Secretary and the bureaus and offices of the Department, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings; financial journals, purchase (including exchange) of books of reference and lawbooks, technical and scientific books, newspapers, and periodicals, expenses incurred in completing imperfect series, library cards, supplies, and all other necessary expenses connected with the library; not exceeding \$8,000 for traveling expenses, including the payment of actual transportation and subsistence expenses to any person whom the Secretary of the Treasury may from time to time invite to the city of Washington or elsewhere for conference and advisory purposes in furthering the work of the Department: freight, expressage, telegraph and telephone service; purchase and exchange of motortrucks, and maintenance and repair of motortrucks and three passenger automobiles (one for the Secretary of the Treasury and two for general use of the Department), all to be used for official purposes only; file holders and cases; fuel, oils, grease, and heating supplies and equipment; gas and electricity for lighting, heating, and power purposes, including material, fixtures, and equipment therefor; purchase, exchange, and repair of typewriters and labor-saving machines and equipment and supplies for same; floor covering and repairs thereto, furniture and office equipment, including supplies therefor and repairs thereto; awnings, window shades, and fixtures; cleaning supplies and equipment; drafting equipment; flags; hand trucks, ladders; miscellaneous hardware; streetcar fares not exceeding \$750; thermometers; lavatory equipment and supplies; tools and sharpening same; laundry service; laboratory supplies and equipment, removal of rubbish; postage; and other absolutely necessary articles, supplies, and equipment not otherwise provided for: \$333,000: *Provided*, That the appropriations for the Bureau of the Public Debt, Internal Revenue Service, United States Processing Tax Board of Review, Procurement Division, and Division of Disbursement for the fiscal year 1942 are hereby made available for the payment of items otherwise properly chargeable to this appropriation, the provisions of section 6, Act of August 23, 1912 (31 U. S. C. 669), to the contrary notwithstanding.

CUSTODY OF TREASURY BUILDINGS

Salaries of operating force: For the Superintendent of Treasury Buildings and for other personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, and the Auditors' Building, \$353,604.

Salaries and expenses, guard force: For salaries and expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, including not to exceed \$9,875 for purchase, repair, and cleaning of uniforms, and for the purchase of arms and ammunition and miscellaneous equipment, \$406,900: *Provided*, That not to exceed \$80,000 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover

service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further*, That the Secretary of the Treasury may detail an agent of the Secret Service to supervise such force.

DIVISION OF PRINTING

Salaries: For the Chief, Division of Printing, and other personal services in the District of Columbia, \$68,740.

Printing and binding: For printing and binding for the Treasury Department, including all of its bureaus, offices, institutions, and services located in Washington, District of Columbia, and elsewhere, except the Bureau of Internal Revenue, and including materials for the use of the bookbinder, located in the Treasury Department, but not including work done at the New York Customhouse bindery authorized by the Joint Committee on Printing in accordance with the Act of March 1, 1919 (44 U. S. C. 111), and for the cost of transportation to field offices of printed and bound material, including cost of necessary packing boxes and packing materials, \$538,300.

Stationery: For stationery for the Treasury Department and its several bureaus and offices, and field services thereof, including tags, labels, and index cards, printed in the course of manufacturing, packing boxes and other materials necessary for shipping stationery supplies, and cost of transportation of stationery supplies purchased free on board point of shipment and of such supplies shipped from Washington to field offices, \$704,800.

BUREAU OF ACCOUNTS

Salaries: For Commissioner of Accounts and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, \$442,500.

Division of Disbursement, salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, \$1,774,453: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for the Agricultural Adjustment Administration, Federal Housing Administration, United States Housing Authority, Federal Surplus Commodities Corporation, Federal Prison Industries, Railroad Retirement Board, United States Maritime Commission, the Federal Crop Insurance Corporation, the Commodity Credit Corporation, the Surplus Marketing Administration, and the National Youth Administration, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin, gold bullion, and gold certificates transferred to Federal Reserve banks and

branches, United States mints and assay offices, and the Treasury, after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649 of the Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, \$200,000.

Recoinage of minor coins: To enable the Secretary of the Treasury to continue the recoinage of worn and uncurrent minor coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, \$20,000.

Recoinage of silver coins: To enable the Secretary of the Treasury to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, \$425,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska but not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska, to be expended for the relief of persons in Alaska who are indigent and incapacitated through nonage, old age, sickness, or accident, \$30,000.

Refund of moneys erroneously received and covered: To enable the Secretary of the Treasury to meet any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, \$35,000.

Payment of unclaimed moneys: To enable the Secretary of the Treasury to meet any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", \$15,000.

BUREAU OF THE PUBLIC DEBT

Salaries and expenses: For necessary expenses connected with the administration of any public-debt issues and United States paper-currency issues with which the Secretary of the Treasury is charged, including the purchase of lawbooks, directories, books of reference, pamphlets, periodicals, and newspapers, and the maintenance, operation, and repair of a motor-propelled bus or station wagon for use of the Destruction Committee, and including the Commissioner of the Public Debt and other personal services in the District of Columbia, \$2,374,450: *Provided*, That the amount to be expended for personal services in the District of Columbia shall not exceed \$2,345,500.

Distinctive paper for United States securities: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees

and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding \$50 per month each when actually on duty; in all, \$1,114,000: *Provided*, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1942 between the two bidders whose prices per pound are the lowest received after advertisement.

Expenses of loans: The indefinite appropriation "Expenses of loans, Act of September 24, 1917, as amended and extended" (31 U. S. C. 760, 761), shall not be used during the fiscal year 1942 to supplement the appropriation herein made for the current work of the Bureau of the Public Debt, and the amount obligated under such indefinite appropriation during such fiscal year shall not exceed \$1,292,000: *Provided*, That the proviso in the Act of June 16, 1921 (31 U. S. C. 761), limiting the availability of this appropriation for expenses of operations on account of any public debt issue to the close of the fiscal year next following the fiscal year in which such issue was made, shall not apply to savings bond transactions handled by the Federal Reserve banks for account of the Secretary of the Treasury.

OFFICE OF TREASURER OF THE UNITED STATES

Salaries: For Treasurer of the United States, Assistant Treasurer, and for other personal services in the District of Columbia, \$1,620,000.

Salaries (Reimbursable): For personal services in the District of Columbia, in redeeming Federal Reserve notes, \$58,000, to be reimbursed by the Federal Reserve banks.

With the approval of the Director of the Bureau of the Budget, there may be transferred sums (not exceeding a total of \$700,000) to the appropriations, "Salaries, Office of Treasurer of the United States, 1942", "Contingent expenses, Treasury Department, 1942", "Printing and binding, Treasury Department, 1942", and "Stationery, Treasury Department, 1942", from funds available for the Agricultural Adjustment Administration, Home Owners' Loan Corporation, Farm Credit Administration, Tennessee Valley Authority, Federal Farm Mortgage Corporation, Reconstruction Finance Corporation, Federal land banks and other banks and corporations under the supervision of the Farm Credit Administration, Railroad Retirement Board, Soil Conservation Service, including Soil Conservation and Domestic Allotment, National Youth Administration, Federal Housing Administration, United States Housing Authority, Civilian Conservation Corps, Public Works Administration, Commodity Credit Corporation, Rural Electrification Administration, and corporations and banks under the Federal Home Loan Bank Board to cover the expenses incurred on account of such respective activities in clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor.

BUREAU OF CUSTOMS

Salaries and expenses: For collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, and not to exceed \$100,000 for the securing of evidence of violations of the customs laws; for expenses of transportation and transfer of

customs receipts from points where there are no Government depositories; not to exceed \$84,500 for allowances for living quarters, including heat, fuel, and light, as authorized by the Act approved June 26, 1930 (5 U. S. C. 118a), but not to exceed \$1,700 for any one person; not to exceed \$500 for subscriptions to newspapers; not to exceed \$2,000 for improving, repairing, maintaining, or preserving buildings, inspection stations, office quarters, including living quarters for officers, sheds, and sites along the Canadian and Mexican borders acquired under authority of the Act of June 26, 1930 (19 U. S. C. 68); and including the purchase (not to exceed \$87,500), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary for official use in field work; \$21,050,000, of which such amount as may be necessary shall be available for the payment of extra compensation earned by customs officers or employees for overtime services, at the expense of the parties in interest, in accordance with the provisions of section 5 of the Act approved February 13, 1911, as amended by the Act approved February 7, 1920, and section 451 of the Tariff Act, 1930, as amended (19 U. S. C. 261, 267, and 1451): *Provided*, That the receipts from such parties in interest for such overtime services shall be deposited as a refund to the appropriation from which such overtime compensation is paid, in accordance with the provisions of section 524 of the Tariff Act of 1930, as amended (19 U. S. C. 1524): for the cost of seizure, storage, and disposition of any merchandise, vehicle and team, automobile, boat, air or water craft, or any other conveyance seized under the provisions of the customs laws, for the purchase of arms, ammunition, and accessories, and \$570,000 shall be available for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under section 525 of the Tariff Act of 1930: *Provided*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in the District of Columbia except two for use in connection with the work of the customhouse in Georgetown.

Refunds and drawbacks: For the refund or payment of customs collections or receipts, and for the payment of debentures or drawbacks, bounties, and allowances, as authorized by law, \$19,000,000.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Salaries: Comptroller of the Currency and other personal services in the District of Columbia, \$244,180.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For salaries and expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; transfer of household goods and effects as provided by Act of October 10, 1940 (Public,

Numbered 839), and regulations promulgated thereunder; telegraph and telephone service, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872-881), and the operation, maintenance, and repair of property acquired under such title III; for the purchase (not to exceed \$25,000), exchange, hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary, for official use of the Alcohol Tax and Intelligence Units in field work; printing and binding (not to exceed \$689,850); and the procurement of such supplies, equipment, furniture, mechanical devices, laboratory supplies, periodicals and newspapers for the Alcohol Tax Unit, ammunition, lawbooks and books of reference, and such other articles as may be necessary, \$71,512,000, of which amount not to exceed \$9,731,155 may be expended for personal services in the District of Columbia: *Provided*, That no part of this amount shall be used in defraying the expenses of any officer or employee designated above, subpoenaed by the United States court to attend any trial before a United States court or preliminary examination before any United States Commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, Department of Justice": *Provided further*, That not more than \$100,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation.

Salaries and expenses for refunding processing and related taxes and administering title III, Revenue Act of 1936: For salaries and expenses in connection with (1) the assessment and collection of the tax on unjust enrichment imposed by title III, Revenue Act of 1936, (2) the making of refunds and payments of processing and related taxes, as authorized by titles IV and VII of the Revenue Act of 1936, as amended, and (3) the refund of taxes collected under the Cotton Act of April 21, 1934, as amended (48 Stat. 598), the Tobacco Act of June 28, 1934, as amended (48 Stat. 1275), and the Potato Act of August 24, 1935 (49 Stat. 782), as authorized by the Second Deficiency Appropriation Act, fiscal year 1938, as amended, including personal services in the District of Columbia and elsewhere, the hiring of experts, stationery and office supplies, equipment, furniture, mechanical devices, lawbooks and books of reference, trade journals, stenographic reporting service, telegraph and telephone services, postage, freight, express, printing and binding, notarial fees, travel expenses, fees of expert witnesses, and fees and mileage of witnesses, which shall be the same as are paid witnesses in the courts of the United States and may be paid in advance upon certification of such officer as the Commissioner of Internal Revenue or the Secretary of the Treasury may designate, \$1,100,000, of which amount not to exceed \$875,000 may be expended for personal services in the District of Columbia.

Refunds and payments of processing and related taxes: For refunds and payments of processing and related taxes as authorized by titles IV and VII, Revenue Act of 1936, as amended; for refunds of taxes collected (including penalties and interest) under the Cotton Act of April 21, 1934, as amended (48 Stat. 598), the Tobacco Act of June 28, 1934, as amended (48 Stat. 1275), and the Potato Act of August 24, 1935 (49 Stat. 782), in accordance with the Second Deficiency Appropriation Act, fiscal year 1938 (52 Stat. 1150), as amended, and as otherwise authorized by law; and for redemption of tax stamps purchased under the aforesaid Tobacco and Potato Acts, there is hereby continued available during the fiscal year 1942, the unexpended balance of the funds made available to the Treasury Department for these purposes for the fiscal year 1941 by the Treasury Department Appropriation Act, 1941.

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, and the amount of such additional tax to be applicable to general Territorial purposes, \$6,350.

Refunding internal-revenue collections: For refunding internal-revenue collections, as provided by law, including the payment of claims for the prior fiscal years and payment of accounts arising under "Allowance or draw-back (Internal Revenue)", "Redemption of stamps (Internal Revenue)", "Refunding legacy taxes, Act of March 30, 1928", and "Repayment of taxes on distilled spirits destroyed by casualty", \$63,000,000: *Provided*, That a report shall be made to Congress by internal-revenue districts and alphabetically arranged of all disbursements hereunder in excess of \$500 as required by section 3 of the Act of May 29, 1928 (sec. 3776, I. R. C.), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

UNITED STATES PROCESSING TAX BOARD OF REVIEW

Salaries and expenses: For salaries and expenses of not to exceed seven members of the Board of Review established by section 906 of the Revenue Act of 1936 for review of the disallowance by the Commissioner of Internal Revenue of claims for refund of processing taxes filed under title VII, Revenue Act of 1936, as amended, including personal services in the District of Columbia and elsewhere, stationery and office supplies, equipment, furniture, mechanical devices, lawbooks and books of reference, press releases, trade journals, periodicals and newspapers, contract reporting services, telegraph and telephone services, postage, freight, express, printing and binding, notarial fees, travel expenses, and such other miscellaneous expenses as may be authorized or approved by the Secretary of the Treasury for the work of this Board, \$110,000.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses to enforce the Act of December 17, 1914 (26 U. S. C. 1383-1391), as amended by the Revenue Act of 1918 (26 U. S. C. 1040-1064), the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171-184), and the Marihuana

Tax Act of 1937 (26 U. S. C. 1399-1399q); pursuant to the Act of March 3, 1927 (5 U. S. C. 281c), and the Act of June 14, 1930 (5 U. S. C. 282-282c), including the employment of executive officers, attorneys, agents, inspectors, chemists, supervisors, clerks, messengers, and other necessary employees in the field and in the Bureau of Narcotics in the District of Columbia, to be appointed as authorized by law; the securing of information and evidence of violations of the Acts; the costs of chemical analyses made by others than employees of the United States; transfer of household goods and effects as provided by the Act of October 10, 1940 (Public. Numbered 839), and regulations promulgated thereunder; the purchase of such supplies, equipment, mechanical devices, books, and such other expenditures as may be necessary in the several field offices; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, storage, and disposition of property under the internal-revenue laws when the same is disposed of under section 3460, Revised Statutes (26 U. S. C. 1624); purchase (not to exceed \$10,000), exchange, hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary for official use in field work; purchase of arms and ammunition; in all, \$1,278,475, of which amount not to exceed \$190,000 may be expended for personal services in the District of Columbia: *Provided*, That the Secretary of the Treasury may authorize the use by narcotic agents of motor vehicles confiscated under the provisions of the Act of August 27, 1935 (27 U. S. C. 157), and the Act of August 9, 1939 (49 U. S. C., Supp. V, 781-788), and to pay the cost of acquisition, maintenance, repair, and operation thereof: *Provided further*, That not exceeding \$10,000 may be expended for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, purchase of newspapers, and other necessary expenses in connection therewith and not exceeding \$1,500 for attendance at meetings concerned with the work of the Bureau of Narcotics: *Provided further*, That not exceeding \$10,000 may be expended for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice: *Provided further*, That moneys expended from this appropriation for the purchase of narcotics including marihuana, and subsequently recovered shall be reimbursed to the appropriation for enforcement of the narcotic Acts current at the time of the deposit.

COAST GUARD

Office of Commandant: For personal services in the District of Columbia, \$765,000: *Provided*, That no part of any appropriation contained in this Act shall be used to pay any enlisted man of the Coast Guard while detailed for duty at Coast Guard headquarters if such detail increases the total number of enlisted men detailed on such duty at any time above fourteen;

Pay and allowances: For pay and allowances prescribed by law for commissioned officers, cadets, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, surfmen, substitute surfmen, and three civilian instructors, retired pay for certain members of the former Life Saving Service authorized by the Act approved April 14, 1930 (14 U. S. C. 178a), and not exceeding \$10,000 for cash prizes for men for excellence in boatmanship,

gunnery, target practice, and engineering competitions; for carrying out the provisions of the Act of June 4, 1920 (34 U. S. C. 943); not to exceed \$15,000 for cost of special instruction, including books, laboratory equipment and fees, school supplies, and maintenance of students; rations or commutation thereof for cadets, petty officers, and other enlisted men, mileage and expenses allowed by law for officers; and traveling expenses of other persons traveling on duty under orders from the Treasury Department, including transportation of cadets, enlisted men, and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof, and traveling expenses for the examinations authorized by the Act entitled "An Act to provide for retirement for disability in the Lighthouse Service", approved March 4, 1925 (33 U. S. C. 765); expenses of recruiting for the Coast Guard, rent of rendezvous, and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen and applicants for appointment as cadets; in-service training of enlisted men including cost of textbooks, necessary school supplies, and correspondence courses; transportation and packing allowances for baggage or household effects of commissioned officers, warrant officers, and enlisted men; and including not to exceed \$46,720 for the recreation, amusement, comfort, contentment, and health of the enlisted men of the Coast Guard, to be expended in the discretion of the Secretary of the Treasury; \$32,680,000: *Provided*, That no part of this appropriation shall be used for increased pay at a rate in excess of \$1,440 per annum to any nonflying commissioned officer or commissioned officer observer for making aerial flights; which rate shall be the legal maximum rate of such increased pay as to any such officer: *Provided further*, That money accruing from commutation of rations of enlisted men commuted for the benefit of any mess may be paid on proper voucher to the officer in charge of such mess:

General expenses, Coast Guard: For fuel, lubricating oil, illuminants, kerosene, and water: the furnishing of heat, light, and power (service) for vessels, shore stations, depots, and offices; outfits, including necessary supplies and equipment, medals, newspapers, technical books and periodicals, and library books for shore stations and vessels; rental of mechanical accounting machinery and other equipment; repairs to portable equipment at shore units; ship chandlery, engineers' stores, draft animals and their maintenance; purchase (not to exceed \$25,000), exchange, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles for official use at headquarters and in the field; the rebuilding, repairing, maintenance, and incidental expenses of shore stations, including lighthouses, lights, beacons, and other fixed aids to navigation, radio stations, depots, and offices; temporary leases and rentals; improvement of property for Coast Guard purposes, including rental or use of additional land where necessary and the purchase of land for beacons, daymarks, and fog signals; not to exceed \$191,000 for completion of construction of the station authorized by the Act approved June 29, 1936 (49 Stat. 2031); repairs to Coast Guard vessels, boats, and aircraft, including cost of salvage operations when incident to such repairs; repair, maintenance, and operation of vessels forfeited to the United States and delivered

to the Treasury Department under the terms of the Act approved March 3, 1925 (27 U. S. C. 41); coastal communication lines and facilities and their maintenance, and communication service; establishment, maintenance, repair, and improvement of post lights, buoys, submarine signals, fog signals, beacons, daymarks, and other aids to navigation; construction of necessary outbuildings, including oil houses at light stations, at a cost not exceeding \$2,500 at any one light station in any fiscal year; wages of persons attending post lights; temporary employees and field force, including professional, technical, and clerical employees, while engaged on works of general repair and maintenance, and laborers and mechanics at lighthouse depots; rations and provisions, or commutation thereof, for working parties in the field, officers and crews of light vessels and tenders, and officials and other authorized persons of the Coast Guard on duty on board of such tenders or vessels, but money accruing from commutation of rations and provisions for the above-named persons on board tenders and light vessels or in working parties in the field may be paid on proper voucher to the person having charge of the mess of such vessel or party; transfer of household goods and effects as provided by the Act of October 10, 1940 (Public, Numbered 839), and regulations promulgated thereunder; purchase of rubber boots, oilskins, rubber gloves, goggles, and coats, caps, and aprons for steward's department on vessels; fuel, light, and rent of quarters where necessary for keepers of lighthouses; traveling expenses of teachers while actually employed by States or private persons to instruct the children of keepers of lighthouses; not to exceed \$1,500 for traveling expenses of new appointees from ports of embarkation in the United States to first post of duty at isolated light stations in districts outside the continental limits of the United States, and not to exceed \$2,500 for the transportation of the children of lighthouse keepers at isolated light stations where necessary to enable such children to attend school, as authorized by the Act of May 13, 1938 (33 U. S. C. 748a); necessary traveling expenses of lighthouse keepers at isolated stations incurred in obtaining medical attention as authorized by the Act of February 25, 1929 (33 U. S. C. 747b); purchase of provisions for sale to Coast Guard personnel at isolated stations, and the appropriation reimbursed; contingent expenses, including subsistence and clothing for shipwrecked and destitute persons succored by the Coast Guard, and including reimbursement, under rules prescribed by the Secretary of the Treasury, of Coast Guard personnel who furnish from their personal stock subsistence and clothing to such persons; subsistence of prisoners while in the custody of the Coast Guard; instruments, apparatus, and services necessary to the carrying on of scientific investigation, and not to exceed \$4,000 for experimental and research work; motion-picture equipment (not to exceed \$30,000) and material for official purposes; care, transportation, and burial of deceased officers and enlisted men, including those who die in Government hospitals, and civilian employees, in accordance with the provisions of section 11, Act of June 6, 1940 (54 Stat. 248); apprehension of deserters; wharfage, towage, freight, storage, advertising, surveys, entrance fees in matches for the rifle team and special equipment therefor; not to exceed \$2,500 for contingencies for the Superintendent, United States Coast Guard Academy, to be expended in his discre-

tion; payment of rewards for the apprehension and conviction, or for information helpful to the apprehension and conviction, of persons found interfering, in violation of section 6 of the Act of May 14, 1908 (33 U. S. C. 761), with aids to navigation maintained by the Coast Guard; and all other necessary expenses which are not included under any other heading; \$13,974,150, of which \$2,026,000 shall be available immediately;

Civilian employees, Coast Guard: For compensation of civilian employees in the field, including per diem labor, but excluding personnel provided for in the appropriation "General Expenses, Coast Guard", \$3,500,000;

Airplanes: For replacement and additional airplanes and their equipment, including radio and ordnance equipment, spare parts, and accessories, to be constructed or purchased in the discretion of the Secretary of the Treasury, \$663,000, to remain available until June 30, 1943;

Construction of vessels and shore facilities: For additional and replacement vessels and their equipment, and the construction, rebuilding, or extension of shore facilities, including the acquisition of sites therefor, \$8,111,000, to be immediately available and to remain available until expended, of which amount not to exceed four per centum shall be available for administrative expenses in connection therewith, including personal services in the District of Columbia, and of which amount \$5,000,000 is for the construction and equipment of three large cutters within a total limit of cost of \$11,370,000 and the Secretary of the Treasury is authorized to enter into contracts during the fiscal years 1941 and 1942 for their construction and equipment within such limit;

Establishing and improving aids to navigation: For establishing and improving aids to navigation and other works, \$1,500,000, which sum shall be available for all expenditures directly relating to the respective projects and of which \$950,000 shall be immediately available;

Retired pay, former Lighthouse Service, Coast Guard: For retired pay of certain officers and employees entitled thereto by virtue of former employment in the Lighthouse Service engaged in the field service or on vessels of the Coast Guard, except persons continuously employed in district offices and shops, \$1,000,000;

No part of the appropriations contained in this Act under the Coast Guard, nor of any appropriation heretofore made, shall be used for the construction for the Coast Guard of any new permanent aviation shore station or for the permanent enlargement of the capacity of any existing aviation shore station, but this limitation shall not apply to expenditures for completion of construction for which funds were made available by the Second Deficiency Appropriation Act, fiscal year 1938, or by the First Deficiency Appropriation Act, fiscal year 1940;

Wherever during the fiscal year 1942, civilian employees of the Coast Guard are replaced by military personnel, as provided in the Act of August 5, 1939 (53 Stat. 1216); funds for the pay and allowances of such military personnel may be transferred, with the approval of the Director of the Bureau of the Budget, from the appropriation

or appropriations which provide for the pay of such civilian personnel to the appropriation "Pay and Allowances, Coast Guard";

Total, Coast Guard, \$62,193,150.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, during the fiscal year 1942, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; for engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; equipment of, repairs to, and maintenance of buildings and grounds and for minor alterations to buildings; directories, technical books and periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference; not exceeding \$500; traveling expenses not to exceed \$2,000; miscellaneous expenses, including not to exceed \$1,500 for articles approved by the Secretary of the Treasury as being necessary for the protection of the person of employees; for transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed \$15,000; and for the maintenance and driving of two motor-propelled passenger-carrying vehicles: \$10,000,000, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1942 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriation for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited when received to the appropriation for such Bureau for the fiscal year 1942.

SECRET SERVICE DIVISION

Salaries: For the Chief of the Division and other personal services in the District of Columbia, \$69,543.

Suppressing counterfeiting and other crimes: For salaries and other expenses under the authority or with the approval of the Secretary of the Treasury in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national-bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States

and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; purchase (not to exceed \$15,000), exchange, hire, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary; purchase of arms and ammunition; traveling expenses; transfer of household goods and effects as provided by the Act of October 10, 1940 (Public, Numbered 839), and regulations promulgated thereunder; and for no other purpose whatsoever, except in the performance of other duties specifically authorized by law, and in the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, \$1,009,000: *Provided*, That no part of the amount herein appropriated shall be used in defraying the expenses of any person subpoenaed by the United States courts to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, Department of Justice": *Provided further*, That of the amount herein appropriated not to exceed \$15,000 may be expended in the discretion of the Secretary of the Treasury for the purpose of securing information concerning violations of the laws relating to the Treasury Department, and for services or information looking toward the apprehension of criminals.

White House Police: For one captain, two lieutenants, four sergeants, and seventy-three privates, at rates of pay provided by law; in all, \$195,900.

For uniforming and equipping the White House Police, including the purchase, issue, and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be procured in such manner as the President in his discretion may determine, \$6,500.

BUREAU OF THE MINT

OFFICE OF DIRECTOR OF THE MINT

Salaries: For the Director of the Mint and other personal services in the District of Columbia, \$119,540.

Transportation of bullion and coin: For transportation of bullion and coin, by registered mail or otherwise, between mints, assay offices, and bullion depositories, \$187,500, including compensation of temporary employees and other necessary expenses incident thereto.

Contingent expenses and examination of mints: For assay laboratory chemicals, fuel, materials, balances, weights, and other necessities, including books, periodicals, specimens of coins, ores, and incidentals, and for examination of mints, expense in visiting mints for the purpose of superintending the annual settlements, and for special examinations and for the collection of statistics relative to the annual production and consumption of the precious metals in the United States, \$14,300.

Salaries and expenses, mints and assay offices: For compensation of officers and employees of the mints at Philadelphia, Pennsylvania; San Francisco, California; Denver, Colorado; and New Orleans, Louisiana, the assay offices at New York, New York; and Seattle, Washington,

and the bullion depositories at Fort Knox, Kentucky; and West Point, New York, including necessary personal services for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, and any Executive orders, proclamations and regulations issued thereunder, and for incidental and contingent expenses, including traveling expenses, new machinery, and repairs, arms, and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of firearms and protective devices, purchase (not exceeding \$1,700) and exchange of a motorbus, maintenance, repair, and operation of two motorbuses for use at the Fort Knox Bullion Depository, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed \$500 for the expenses of the annual assay commission, and not exceeding \$1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; \$3,191,500.

PROCUREMENT DIVISION

Salaries and expenses: For the Director of Procurement and other personal services in the District of Columbia and in the field service, and for miscellaneous expenses, including office supplies and materials, purchase and exchange of motortrucks and maintenance thereof, telegrams, telephone service, traveling expenses, office equipment, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Procurement Division of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field (including not to exceed \$500 to settle claims for damages caused to private property by motor vehicles used by the Procurement Division), \$889,000: *Provided*, That the Secretary of the Treasury is authorized and directed during the fiscal year 1942 to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government for the fiscal year 1942 such amounts as may be approved by the Director of the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Procurement Division, respectively, from any such department or establishment, where the transfer or detail of such employees is incident to a transfer of a function or functions to that Division and (b) such amount as the Director of the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further*, That payments during the fiscal year 1942 to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Procurement Division of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on

itemized invoices prepared by the Procurement Division at issue prices to be fixed by the Director of Procurement: *Provided further*, That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1942 shall be credited to the general supply fund: *Provided further*, That not to exceed \$1,000,000 shall be available from the general supply fund during the fiscal year 1942 for personal services: *Provided further*, That the term "fuel" shall be held to include "fuel oil": *Provided further*, That the requirements of sections 3711 and 3713 of the Revised Statutes (40 U. S. C. 109) relative to the weighing of coal and wood and the separate certificate as to the weight, measurement, or quantity of coal and wood purchased shall not apply to purchases by the Procurement Division at free-on-board destination outside of the District of Columbia: *Provided further*, That the reconditioning and repair of surplus property and equipment, for disposition or reissue to Government service, may be made at cost by the Procurement Division, payment therefor to be effected by charging the proper appropriation and crediting the appropriation "Salaries and expenses, Procurement Division".

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia may be made at cost by the Procurement Division, payment therefor to be effected by charging the proper appropriation and crediting the appropriation "Salaries and expenses, Procurement Division".

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1942 for the purchase of any standard typewriting machines (except bookkeeping, billing, and electric machines) at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: Ten inches (correspondence models), \$70; twelve inches, \$75; fourteen inches, \$77.50; sixteen inches, \$82.50; eighteen inches, \$87.50; twenty inches, \$94; twenty-two inches, \$95; twenty-four inches, \$97.50; twenty-six inches, \$103.50; twenty-eight inches, \$104; thirty inches, \$105; thirty-two inches, \$107.50; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: Ten inches, \$80; twelve inches, \$85; fourteen inches, \$90; eighteen inches, \$95.

This title may be cited as the "Treasury Department Appropriation Act, 1942".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with the Act of July 2, 1836 (5 U. S. C. 380; 39 U. S. C. 786), for the Post Office Department for the fiscal year ending June 30, 1942, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, \$226,904.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

- Office of the First Assistant Postmaster General, \$391,420.
- Office of the Second Assistant Postmaster General, \$587,600.
- Office of the Third Assistant Postmaster General, \$794,810.
- Office of the Fourth Assistant Postmaster General, \$474,240.
- Office of the Solicitor for the Post Office Department, \$115,500.
- Office of the chief inspector, \$240,910.
- Office of the purchasing agent, \$47,240.
- Bureau of Accounts, \$114,120.

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For contingent and miscellaneous expenses; stationery and blank books, index and guide cards, folders and binding devices, including purchase of free penalty envelopes; telegraph and telephone service, furniture and filing cabinets and repairs thereto; purchase, exchange, maintenance, and repair of tools, electrical supplies, typewriters, adding machines, and other labor-saving devices; purchase (including exchange) of one motor-propelled passenger-carrying vehicle, and for maintenance of motortrucks and of two motor-driven passenger-carrying vehicles, to be used only for official purposes (one for the Postmaster General and one for the general use of the Department); streetcar fares; floor coverings; postage stamps for correspondence addressed abroad, which is not exempt under article 49 of the Buenos Aires convention of the Universal Postal Union; purchase and exchange of lawbooks, books of reference, railway guides, city directories, and books necessary to conduct the business of the Department; newspapers, not exceeding \$200; expenses, except membership fees, of attendance at meetings or conventions concerned with postal affairs, when incurred on the written authority of the Postmaster General, not exceeding \$2,000; expenses of the purchasing agent and of the Solicitor and attorneys connected with his office while traveling on business of the Department, not exceeding \$800; and other expenses not otherwise provided for; \$89,796.

For printing and binding for the Post Office Department, including all of its bureaus, offices, institutions, and services located in Washington, District of Columbia, and elsewhere, \$810,000.

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided*, That the actual and necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may continue to be paid from the appropriations for the service in connection with which the travel is performed, and appropriations for the fiscal year 1942 of the character heretofore used for such purposes shall be available therefor: *Provided further*, That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be immediately

available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence.

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE POSTMASTER GENERAL

Travel expenses. Postmaster General and Assistant Postmasters General: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, \$3,000.

Personal or property damage claims: To enable the Postmaster General to pay claims for damages, occurring during the fiscal year 1942, or in prior fiscal years, to persons or property in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (48 Stat. 1207), \$45,000.

Adjusted losses and contingencies: To enable the Postmaster General to pay to postmasters, Navy mail clerks, and assistant Navy mail clerks or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1942, or prior fiscal years, through burglary, fire, or other unavoidable casualty resulting from no fault or negligence on their part, as authorized by the Act approved March 17, 1882, as amended, \$60,000.

OFFICE OF CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and six hundred and thirty-five inspectors, \$2,444,700.

Traveling and miscellaneous expenses: For traveling expenses of inspectors, inspectors in charge, the chief post-office inspector, and the assistant chief post-office inspector, and for the traveling expenses of four clerks performing stenographic and clerical assistance to post-office inspectors in the investigation of important fraud cases; for tests, exhibits, documents, photographs, office, and other necessary expenses incurred by post-office inspectors in connection with their official investigations, including necessary miscellaneous expenses of division headquarters, and not to exceed \$500 for technical and scientific books and other books of reference needed in the operation of the Post Office Inspection Service, \$665,350: *Provided*, That not exceeding \$26,000 of this sum shall be available for transfer by the Postmaster General to other departments and independent establishments for chemical and other investigations.

Clerks, division headquarters: For compensation of one hundred and ninety-four clerks, at division headquarters of post-office inspectors, \$483,975.

Payment of rewards: For payment of rewards for the detection, arrest, and conviction of post-office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite or explode, \$55,000: *Provided*, That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of this

sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 9273, dated July 25, 1936: *Provided further*, That of the amount herein appropriated not to exceed \$20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and properly perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, \$50,200,000.

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, \$7,278,000.

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, laborers, and substitutes, \$216,000,000.

Clerks, contract stations: For compensation to clerks in charge of contract stations, \$1,640,000.

Separating mails: For separating mails at third- and fourth-class post offices, \$415,000.

Unusual conditions: For unusual conditions at post offices, \$85,000.

Clerks, third-class post offices: For allowances to third-class post offices to cover the cost of clerical services, \$8,250,000.

Miscellaneous items, first- and second-class post offices: For miscellaneous items necessary and incidental to the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, \$1,825,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, \$1,675,000.

Detroit River service: For Detroit River postal service, \$11,960.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special-delivery carfare, and cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, \$1,475,600.

City delivery carriers: For pay of letter carriers, City Delivery Service, and United States Official Mail and Messenger Service, \$151,500,000.

Special-delivery fees: For fees to special-delivery messengers, \$9,250,000.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star-route service: For inland transportation by star routes (excepting service in Alaska), including temporary service to newly established offices, \$11,400,000.

Star-route service, Alaska: For inland transportation by star routes in Alaska, \$170,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, \$1,397,750.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail messenger service, \$112,300,000: *Provided*, That separate accounts be kept of the amount expended for mail messenger service: *Provided further*, That there may be expended from this appropriation for personal services in the District of Columbia not exceeding the sum of \$33,050 to carry out the provisions of section 214 of the Act of February 28, 1925 (39 U. S. C. 826) (cost ascertainment).

Railway Mail Service: For fifteen division superintendents, fifteen assistant division superintendents, two assistant superintendents at large, one hundred and twenty chief clerks, one hundred and twenty assistant chief clerks, clerks in charge of sections in the offices of division superintendents, railway postal clerks, substitute railway postal clerks, joint employees, and laborers in the Railway Mail Service, \$57,460,000.

Railway postal clerks, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, \$3,275,000.

Railway Mail Service, traveling expenses: For actual and necessary expenses, general superintendent and assistant general superintendent, division superintendents, assistant division superintendents, assistant superintendents, chief clerks, and assistant chief clerks, Railway Mail Service, and railway postal clerks, while actually traveling on business of the Post Office Department and away from their several designated headquarters, \$57,500.

Railway Mail Service, miscellaneous expenses: For rent, light, heat, fuel, telegraph, miscellaneous and office expenses, telephone service, badges for railway postal clerks, rental of space for terminal railway post offices for the distribution of mails when the furnishing of space for such distribution cannot, under the Postal Laws and Regulations, properly be required of railroad companies without additional compensation, and for equipment and miscellaneous items necessary to terminal railway post offices, \$450,000.

Electric- and cable-car service: For electric- and cable-car service, \$200,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, \$2,300,000: *Provided*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed \$70,000, to cover the cost to the United States for maintaining sea post service on ocean steamships conveying the mails to and from the United States.

Balances due foreign countries: For balances due foreign countries, fiscal year 1942 and prior years, \$1,500,000.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1942 and prior years, \$8,000.

Rural Delivery Service: For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in

charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, \$92,100,000, of which not less than \$200,000 shall be available for extensions and new service.

Foreign air-mail transportation: For transportation of foreign mails by aircraft, as authorized by law, including the transportation of mail by aircraft between Seattle, Washington, and Juneau, Alaska, via Ketchikan, Alaska, \$15,477,831.

Domestic Air Mail Service: For the inland transportation of mail by aircraft, as authorized by law, and for the incidental expenses thereof, including not to exceed \$54,400 for supervisory officials and clerks at air-mail transfer points, travel expenses, and not to exceed \$64,500 for personal services in the District of Columbia, \$21,486,465, of which amount the sum of \$22,848 shall be immediately available.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Manufacture and distribution of stamps and stamped paper: For manufacture of adhesive postage stamps, special-delivery stamps, books of stamps, stamped envelopes, newspaper wrappers, postal cards, and for coiling of stamps, and including not to exceed \$22,500 for pay of agent and assistants to examine and distribute stamped envelopes and newspaper wrappers, and for expenses of agency, \$5,065,000.

Indemnities, domestic mail: For payment of limited indemnity for the injury or loss of pieces of domestic registered matter, insured and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, \$500,000.

Unpaid money orders more than one year old: For payment of domestic money orders after one year from the last day of the month of issue of such orders, \$190,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Post office stationery, equipment, and supplies: For stationery for the Postal Service, including the money-order and registry system; and also for the purchase of supplies for the Postal Savings System, including rubber stamps, canceling devices, certificates, envelopes, and stamps for use in evidencing deposits, and free penalty envelopes; and for the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized by the Act of June 25, 1910 (39 U. S. C. 760); for miscellaneous equipment and supplies, including the purchase and repair of furniture, package boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, stamp vending and postage meter devices, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; for post-marking, rating, money-order stamps, and electrotype plates and repairs to same; metal, rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelope-opening

machines, and computing machines, numbering machines, time recorders, letter balances, scales (exclusive of dormant or built-in platform scales in Federal buildings), test weights, and miscellaneous articles purchased and furnished directly to the Postal Service, including complete equipment and furniture for post offices in leased and rented quarters; for the purchase (including exchange), repair, and replacement of arms and miscellaneous items necessary for the protection of the mails; for miscellaneous expenses in the preparation and publication of post-route maps and rural delivery maps or blueprints, including tracing for photolithographic reproduction; for other expenditures necessary and incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have rural delivery service, and for letter boxes; for the purchase of atlases and geographical and technical works not to exceed \$1,500; for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States); for expenses incident to the shipment of supplies, including hardware, boxing, packing, and not exceeding \$62,300 for the pay of employees in connection therewith in the District of Columbia; for rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, accident prevention, and other labor-saving devices, including cost of power in rented buildings and miscellaneous expenses of installation and operation of same, including not to exceed \$35,000 for salaries of thirteen traveling mechanics, and for traveling expenses, \$3,225,000: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural delivery maps or blueprints at the cost of printing and 10 per centum thereof added.

Equipment shops, Washington, District of Columbia: For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and material necessary for same, and for incidental expenses pertaining thereto; material, machinery, and tools necessary for the manufacture and repair of such other equipment for the Postal Service as may be deemed expedient; accident prevention; for the expenses of maintenance and repair of the mail bag equipment shops building and equipment, including fuel, light, power, and miscellaneous supplies and services; maintenance of grounds; for compensation to labor employed in the equipment shops and in the operation, care, maintenance, and protection of the equipment shops building, grounds, and equipment, \$1,075,000, of which not to exceed \$605,000 may be expended for personal services in the District of Columbia: *Provided*, That out of this appropriation the Postmaster General is authorized to use as much of the sum, not exceeding \$15,000, as may be deemed necessary for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

Rent, light, fuel, and water: For rent, light, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, \$9,950,000.

Pneumatic-tube service, New York City: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn, \$540,628: *Provided*, That the provisions of the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable hereto.

Pneumatic-tube service, Boston: For the rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts, \$24,000: *Provided*, That the provisions not inconsistent herewith of the Acts of April 21, 1902 (39 U. S. C. 423), and May 27, 1908 (39 U. S. C. 423), relating to the transmission of mail by pneumatic tubes or other similar devices shall be applicable hereto.

Vehicle service: For vehicle service; the hire of vehicles; the rental of garage facilities; the purchase, exchange, maintenance, and repair of motor vehicles, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; accident prevention; the hire of supervisors, clerical assistance, mechanics, drivers, garagemen, and such other employees as may be necessary in providing vehicles and vehicle service for use in the collection, transportation, delivery, and supervision of the mail, and United States official mail and messenger service, \$15,900,000: *Provided*, That the Postmaster General may, in his disbursement of this appropriation, apply a part thereof to the leasing of quarters for the housing of Government-owned motor vehicles at a reasonable annual rental for a term not exceeding ten years: *Provided further*, That the Postmaster General, during the fiscal year 1942 may purchase and maintain from the appropriation "Vehicle service" such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, \$350,000.

PUBLIC BUILDINGS, MAINTENANCE AND OPERATION

Operating force: For personal services in connection with the operation of public buildings, including the Washington Post Office and the Customhouse Building in the District of Columbia, operated by the Post Office Department, together with the grounds thereof and the equipment and furnishings therein, including telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in such buildings jointly serving in each case two or more governmental activities, \$23,500,000: *Provided*, That in no case shall the rates of compensation for the mechanical labor force be in excess of the rates current at the time and in the place where such services are employed.

Operating supplies, public buildings: For fuel, steam, gas, and electric current for lighting, heating, and power purposes, water, ice, lighting supplies, removal of ashes and rubbish, snow and ice, cutting grass and weeds, washing towels, telephone service for custodial forces, and for miscellaneous services and supplies, accident prevention, vacuum cleaners, tools and appliances and repairs thereto, for the operation of completed and occupied public buildings and grounds, including mechanical and electrical equipment, but not the repair thereof, operated by the Post Office Department, including the Washington Post Office and the Customhouse Building in the District of Columbia, and for the transportation of articles and supplies authorized herein, \$5,500,000: *Provided*, That the foregoing appropriation shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of \$100 at any one building: *Provided further*, That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Furniture, carpets, and safes, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, \$637,500: *Provided*, That, excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of \$100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Scientific investigations: In the disbursement of appropriations contained in this title for the field service of the Post Office Department the Postmaster General may transfer to the Bureau of Standards not to exceed \$20,000 for scientific investigations in connection with the purchase of materials, equipment, and supplies necessary in the maintenance and operation of the Postal Service.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for the fiscal year ending June 30, 1942, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

This title may be cited as the "Post Office Department Appropriation Act, 1942".

TITLE III—GENERAL PROVISIONS

SEC. 301. Appropriations for the fiscal year 1942 available for expenses of travel of civilian officers and employees of the executive departments and establishments shall be available also for expenses of travel performed by them on transfer from one official station to another when authorized by the head of the department or establishment concerned in the order directing such transfer: *Provided*, That such expenses shall not be allowed for any transfer effected for the convenience of any officer or employee.

SEC. 302. No appropriation available for the executive departments and independent establishments of the Government for the fiscal year ending June 30, 1942, whether contained in this Act or any other Act, shall be expended—

(a) To purchase any motor-propelled passenger-carrying vehicle (exclusive of busses, ambulances, and station wagons), at a cost, completely equipped for operation, and including the value of any vehicle exchanged, in excess of \$750, unless otherwise specifically provided for in the appropriation.

(b) For the maintenance, operation, and repair of any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment, except in cases of medical officers on out-patient medical services and except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only as to such latter cases when the same is approved by the head of the department or establishment concerned. The limitations of this subsection (b) shall not apply to any motor vehicles for official use of the President, the heads of the executive departments, Ambassadors, Ministers, and *chargés d'affaires*.

(c) For the maintenance, upkeep, and repair (exclusive of garage rent, pay of operators, tires, fuel, and lubricants) on any one motor-propelled passenger-carrying vehicle, except busses and ambulances, in excess of one-third of the market price of a new vehicle of the same make and class and in no case in excess of \$400.

SEC. 303. No part of the money appropriated under this Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person.

SEC. 304. No part of any appropriation contained in this Act or authorized hereby to be expended shall be used to pay the compensation of any officer or employee of the Government of the United States, or of any agency the majority of the stock of which is owned by the Government of the United States, whose post of duty is in continental United States, unless such officer or employee is a citizen of the United States or a person in the service of the United States on the date of the approval of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen or who owes allegiance to the United States: *Provided*, That this section shall not apply to enlisted men of the United States Coast Guard who are on active duty in that service on the effective date of this Act, until the expiration of the period required for such enlisted men

to complete their naturalization, nor shall it apply to personnel of the Coast Guard on the retired list, and enlisted men on active duty with over twelve years' honorable service who are ineligible for United States citizenship.

SEC. 305. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act, shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 306. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1942".

Approved, May 31, 1941.

